

Please note: These transcripts are not individually reviewed and approved for accuracy.

WORKSHOP
STATE OF CALIFORNIA
INTEGRATED WASTE MANAGEMENT BOARD

CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD
BOARD ROOM
8800 CAL CENTER DRIVE
SACRAMENTO, CALIFORNIA

TUESDAY, JANUARY 16, 2001
9:00 A.M.

JAMES F. PETERS, CSR, RPR
CERTIFIED SHORTHAND REPORTER
LICENSE NUMBER 10063

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

APPEARANCES

BOARD MEMBERS

Linda Moulton-Patterson, Chairperson

Mr. Dan Eaton

Mr. Steven Jones

Mr. Jose Medina

Mr. Michael Paparian

Mr. David Roberti

STAFF

Mr. Mark Leary, Deputy Director

Mr. Cody Begley

Mr. Bob Fujii

Mr. Nate Gauf

Ms. Martha Gildart

Mr. Lin Lindert

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

INDEX

	PAGE
Opening remarks by Deputy Director Leary	1
Enforcement and Regulations	7
Supervising Waste Management Engineer Gildart	7
Mr. Gerry de Roco	11
Ms. Laura Wright	15
Mr. George Larson	24
Mr. John Serumgard	43
Cleanup, Abatement and Remedial Action	44
Supervising Waste Management Engineer Gildart	44
Mr. Gerry de Roco	49
Mr. George Larson	52
Research, Promoting and Developing Alternatives to Landfill Disposal	75
Supervising Waste Management Engineer Gildart	75
Mr. George Larson	76
Mr. John Serumgard	83
Mr. Barry Takallou	103
Mr. Randy Roth	105
Mr. Mark Korte	109
Afternoon Session	111
Market Development	111
Supervising Waste Management Engineer Gildart	112
Mr. Terry Leveille	124
Mr. Bob Winters	128,
	142
Mr. Mike Harrington	134,
	152
Mr. Murray Quance	136
Mr. Barry Takkalou	138
Mr. Lynn Nicholson	139
Mr. Ehrenfried Liebich	156
Mr. Mark Hope	159
Ms. Lorna Brown	165
Mr. Dan Swanson	166
Mr. George Larson	169
Mr. Barry Takkalou	171

Please note: These transcripts are not individually reviewed and approved for accuracy.

iv

INDEX CONTINUED

	PAGE
Hauler Program and Manifest System	172
Supervising Waste Management Engineer Gildart	172
Ms. Laura Wright	178,
	192
Mr. George Larson	183
Mr. Terry Leveille	188
Ms. Denise Kennedy	190
Ms. Lorna Brown	195
Mr. Gerry de Roco	195
Mr. Bob Winters	198
Mr. Denny Hoeh	199
Open Discussion	201
Adjournment	204
Reporter's Certificate	205

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

1 PROCEEDINGS

2 DEPUTY DIRECTOR LEARY: Good morning. Welcome to
3 our little construction zone.

4 My name is Mark Leary. I'm the Deputy Director
5 of the Special Waste Division here at the California
6 Integrated Waste Management Board. If you're here to talk
7 about anything but tires, you're in the wrong place. They
8 probably could use some help nailing some things around
9 here or tearing something down.

10 I'd like to thank you for coming. I'd like to
11 also introduce the Board members who are here. I
12 anticipate that all six board members will be here at some
13 point or another during the course of the day. But the
14 three who are here now, as you can see, are board members
15 Steve Jones, Mike Paparian and Senator David Roberti.
16 Miscellaneous advisors are here. Karin Fish, our Chief
17 Deputy Director is also here and will be sitting at the
18 podium. And, like I said, I'll introduce the Board
19 members as they arrive.

20 I want to thank you, first of all, for attending.
21 Not a great day to be traveling, a little chilly out
22 there, not the best circumstances to be hosting a meeting
23 like this, but we appreciate your persistence, appreciate
24 your attendance and we look forward to your comments as we
25 move forward today.

1 I also want to thank the staff of the Special
2 Waste Division for putting this together. A couple of
3 individuals worked very hard in both putting the plan
4 together that's at the back of the room, as well as making
5 the arrangements to make this as comfortable as we can.

6 There is coffee in the back towards the windows.
7 We have a little bit of limitation on rest rooms.

8 (Laughter.)

9 BOARD MEMBER ROBERTI: What else.

10 (Laughter.)

11 DEPUTY DIRECTOR LEARY: If you're a regular here
12 at the board meetings, you're used to going across the
13 lobby --

14 BOARD MEMBER ROBERTI: You're regular.

15 (Laughter.)

16 BOARD MEMBER PAPARIAN: No, it's if you're
17 irregular.

18 (Laughter.)

19 DEPUTY DIRECTOR LEARY: I can see I'm getting
20 myself in trouble.

21 (Laughter.)

22 DEPUTY DIRECTOR LEARY: If you're used to
23 attending the Board meetings, --

24 (Laughter.)

25 DEPUTY DIRECTOR LEARY: -- you're used to going

1 across the lobby and using the rest rooms there. They're
2 unavailable to us today because of the construction. The
3 only rest rooms that are available to us are right out in
4 this hallway behind these two doors, which you can't go
5 through --

6 (Laughter.)

7 DEPUTY DIRECTOR LEARY: -- which means everyone
8 needs to proceed to the back and out and around to use the
9 rest rooms.

10 There's a sign-in sheet in the back. We ask that
11 you sign in. If you sign in, you'll automatically become
12 part of our mailing list for regular notices for these
13 kinds of meetings as we move forward.

14 What are we trying to accomplish today? With the
15 passage of 876 by the Legislature and its signature into
16 law by Governor Davis, the Board's been given a mission
17 and the resources to complete this mission. The mission
18 is to develop and implement a comprehensive waste tire
19 management program.

20 With the increase of the fee from 25 cents to a
21 dollar and the application of that fee to all new
22 vehicles, we've been given in the neighborhood of \$30
23 million per year to complete this mission.

24 Let me stop and just briefly introduce, Board
25 Member Jose Medina just arrived. Two more to go and

1 they'll all be here.

2 The Board's first charge in implementing this
3 landmark environmental legislation is to develop and adopt
4 a five-year business plan and forward it to the
5 Legislature and the Governor's office by July 1 of 2001.
6 The plan is to include programmatic and fiscal issues as
7 well as performance objectives and measurement criteria
8 for the program.

9 In today's workshop we seek your advice and
10 counsel as we develop this plan. As most of you know,
11 we're not starting at square one with the development of
12 this plan. Many of you, many of our staff and even
13 several of the Board Members were part of the Development
14 of the AB 117 report. It was entitled, Care of California
15 Waste Tire Program Evaluation and Recommendation. The
16 final report in June of 1999. There are copies of it in
17 the back of the room.

18 Better known as the 117 report, it was developed
19 as an outcome of much public input and industry comments
20 and workshops much like this one. We now have the
21 resources and the legislative mandate and support that the
22 117 report hoped for, and we're ready to take the next
23 step. We've drafted a first cut of the five-year plan and
24 we used it to initiate our discussion here today. We have
25 used the specific language in SB 876 at PRC Section

1 42855.5 as direction and beginning the construction of
2 this plan.

3 Our plan is divided into five program elements
4 mirroring the language in 876. There's a section on
5 enforcement of regulations relating to storage of tires
6 waste and used tires. There's a section on cleanup,
7 abatement and other remedial actions relating to tire
8 stock piles throughout the State. There's a section on
9 research directed at promoting and developing alternative
10 to landfill disposal of tires. Fourthly, there's market
11 development and new technology activities for used tires
12 and waste tires, and finally, there's direction and plan
13 provided for the waste and used tire hauler program and
14 manifest system.

15 We've attempted to flesh out each of these
16 program elements in this document by briefly describing
17 what the program currently consists of, what specific
18 direction the AB 117 report provides us for each of those
19 program elements, what specific directions Senate Bill 876
20 provides, and finally the crux of what our plan is to
21 implement that programelement.

22 Please view this first draft as a work in
23 progress and one that will continue to evolve. We
24 recognize that it's missing important pieces. We have yet
25 to include any detail regarding the tire sites that we

1 plan to clean up and their priority. We need to develop
2 performance objectives and measurement criteria the
3 legislation requires.

4 We want to get started. Like our first draft,
5 today's agenda is divided into five program elements.
6 After a short presentation by Martha, the gist of what we
7 envision for the element, we invite you to come to this
8 podium and offer your comments. Although we would have
9 liked to allow this to be a fairly free-formed dialogue,
10 the size of this group and the size of this room prevents
11 it. But to ensure we capture every idea that you have to
12 offer, we've secured the services of a court reporter to
13 record your comments.

14 We ask that you complete a speaker's slip and
15 we've put one on every chair to state your intention to
16 offer comments and indicate what element, if not all of
17 them, that you intend to speak about. And that way, we
18 can get a sense of the number of you that want to offer
19 comments so that we can manage our time better. And then
20 when you rise to speak at the podium, we ask that you
21 offer your name and your affiliation before offering your
22 comments so that we can accurately capture your identity.

23 One final comment. Some of you may be affiliated
24 with a particular product, which may or may not have great
25 value to us as we move forward in our efforts to implement

1 this program. But as the Waste Board is not really in a
2 position to purchase products today or to fund specific
3 product development, I ask that you refrain from coming to
4 the podium to promote your specific product. No
5 infomercial please.

6 Thank you and let us proceed to our first
7 presentation on enforcement.

8 Martha.

9 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

10 As Mark said, this is a workshop. We're hoping to get
11 comments from people, so you're not going to hear us
12 speaking that much.

13 So the very first element in the report, if
14 you'll turn to page five, if you have copies, is
15 enforcement and regulations relating to the storage of
16 waste and used tires. And as Mark described, a portion of
17 this chapter describes what the Board has done in the
18 past, where we are now, what AB 117 had recommended, what
19 of that was folded into 876 and what kind of direction the
20 SB 876 has given us.

21 In the Segment D, which is titled The Plan,
22 you'll see where staff has put some ideas down on what the
23 components for each of these program elements we think the
24 Board should fund. So what I'm going to do is just Cody
25 and I will start describing some of these components here

1 and ask if people wish to speak at the end of that
2 description. And then we'll just have you come up and
3 describe to us which component you want to speak on and
4 whether there's something you think we've overlooked or
5 whatever.

6 So the first thing you'll see there under D, The
7 Plan, is enhanced enforcement. And this is actually more
8 of a staff effort. It's to have more people out doing
9 more inspections and enforcement actions to ensure that
10 those businesses involved in transporting, storing or
11 processing tires do so in conformance with the rules. And
12 this would be mostly an internal cost, in that, it would
13 be part of the administrative costs for additional staff.
14 So there's really not a huge description there in the
15 budget process yet.

16 The next element is the California Highway
17 Patrol. And I think most of you know that we have had a
18 two-faceted relationship with the CHP. One is where they
19 assist with the enforcement of the hauler registration by
20 checking on trucks they see transporting tires to make
21 sure that these folks are registered and using manifests.
22 And they've also been very helpful in conducting an aerial
23 surveillance where they have photographed sites where they
24 see piles of tires. And it's really amazing, they can see
25 and photograph piles where there are only maybe 20 or 50

1 tires even. And we've got a large number to go through
2 where they fall under our limit of concern, the 500 tires
3 and less.

4 So we plan to continue that relationship with the
5 CHP with the idea that we would slowly increase funding
6 for that effort, so that they could be out on the roads
7 enforcing the hauler requirements.

8 The SB 876 describes a bounty program that the
9 Board may consider establishing where there would be some
10 kind of incentive made available to the public if they
11 report haulers or disposal of tires that is done
12 illegally. And that's something that will probably be the
13 focus of a longer term study as to how cost effective that
14 will be. And we will probably be consulting with many of
15 you again on that.

16 The next one is enhanced support for the local
17 enforcement agencies. And many of you may know those
18 are local governmental entities that our board works with.
19 And that what we are proposing here is to provide funding,
20 hopefully, at greater amounts and for longer terms than we
21 have in the past to get more support from local government
22 to be out there inspecting sites, checking up on hauler
23 registrations, helping with the initial steps of local
24 cleanups.

25 The next element here is ease permit

1 requirements. This is something that came out quite a bit
2 in the AB 117 workshops, whether or not there need to be
3 different levels of permit requirements for the different
4 types of tire operations, whether it was disposal or
5 processing or fuel consumption. And this is something
6 else that would take additional study beyond just the
7 scope of this report. And then some discussion on how we
8 will be developing regulations to implement SB 876.

9 At the moment, we are envisioning a two-phase
10 approach on the regulations. Many of you have been very
11 much involved in some of our early regulations efforts,
12 and you know that we have some language that has not yet
13 been formally adopted into law. We are going to look at
14 that language, see how it fits with the new directives in
15 876 and try and move that package quickly through the
16 Government's process.

17 There will probably be longer term regulations
18 that we will need to develop particularly as it relates to
19 the manifest system. Part of what has been required, and
20 there's a whole element at the end of this list on the
21 manifest, is that the Board develop a new system with more
22 reporting requirements and even an electronic submittal of
23 the form. And that's going to take a much longer term
24 effort in developing regulations to support that.

25 So very briefly those are the components of the

1 element on enforcement. And Cody Begley is here. He
2 heads up the permitting and enforcement group here in the
3 tire program. And what we would like is to hear comments
4 from folks, what you think we need to add, increase,
5 decrease, drop off. So are we going to do a list?

6 DEPUTY DIRECTOR LEARY: Let me go around and
7 collect the speaker's list and make it easier if I could
8 call you up.

9 MR. de ROCO: My name is Gerry de Roco. I'm
10 Solid Waste Manager for Glenn County. And I've been the
11 beneficiary of some tire grants that we really enjoyed.
12 We've had two tire day grants, which we will be collecting
13 60,000 tires. We use tires on engineered projects in
14 Glenn county. We've done erosion control on county roads.
15 On landfills, we're actually stacking bailed tires for
16 wind bars and push walls of the landfill. We've used
17 about 600,000 tires there in the last two years.

18 This has made my LEA a little nervous, but
19 they're mostly buried in work. We have received a grant
20 last year to resurface a running track at a community
21 college to Butte County. Butte/Glenn Community College
22 made a beautiful track in their community. Several
23 counties are very appreciative of those activities and
24 really added some ambiance to the campus.

25 We also have a grant to install mats in an

1 exercise room in a high school. All these grants indicate
2 to the public that there is a use, a reuse for tires. And
3 I think the education that comes from the news releases
4 and things, the media, that exploits these activities is
5 really beneficial to getting the public to realize there's
6 a use for tires other than throwing them in canals and
7 ditches, which is where I have a crew retrieve those, and
8 appliances and mattresses and couches all the time.

9 So I would certainly urge that consideration be
10 given to extending or expanding the programs for use and
11 also more effort or more attention be paid to assisting us
12 in engineered projects. We have levees we work on. We
13 have roads. We have a number of projects. The only
14 opposition seems to be from the federal Corps of
15 Engineers. So we would like to have more attention
16 devoted to that. And then I'm sure in the future as the
17 rubberized asphalt comes north, Glenn County and Butte
18 County would like to participate in that, too.

19 Thank you.

20 DEPUTY DIRECTOR LEARY: Gerry, you spoke of your
21 LEA. In terms of enforcement, have we approached it
22 correctly in terms of tracking LEA's to be more
23 participative in our enforcement program, do you think?

24 MR. de ROCO: In the enforcement program, and I
25 read the report, I strongly urge the local jurisdictions

1 to become more involved in the enforcement and that
2 doesn't necessarily mean the LEA.

3 In my particular case, I have a tire hauler that
4 collects tires in about ten counties. He knows where
5 every tire pile is in northern California, because he cuts
6 side walls out of tires. He builds silage covers. He
7 bales tires. He's now starting a crum rubber operation.

8 So it's not something I think the LEA has
9 sufficient funding for, but in the Solid Waste Division we
10 work with the LEA. We deal with tires daily and we deal
11 with haulers daily. And so we would like to see, you
12 know, that program strengthened, too. These would be tire
13 piles of less than 2,500 tires. Every farmer has a couple
14 hundred behind his barn.

15 BOARD MEMBER JONES: If the LEA was funded pretty
16 steadily instead of coming in from grants and hoping there
17 would be funding, but there was a pool of money that would
18 continue that effort, would that be beneficial up in that
19 region?

20 MR. de ROCO: I think it would be for northern
21 California to in some areas like Lassen County and even
22 Glenn County, the LEA covers three or four counties. So
23 they all work together, but we really need to get solid
24 waste and the public works departments involved, because
25 we have daily contracts with the CHP and even our county

1 road departments that are out all the time, and we deal
2 daily with the forest service and the Bureau of
3 Reclamation and the Corps of Engineers and the irrigation
4 districts. That's where a lot of these tires end up is in
5 irrigation district canals.

6 So if we had funding that went to counties that
7 could be the LEA as well as shared with the other people
8 in the county, it would, I think, be very beneficial. I
9 know it would be beneficial.

10 DEPUTY DIRECTOR LEARY: Any other thoughts from
11 the Board Members, comments, questions for Gerry?

12 MR. de ROCO: When I mentioned my LEA is nervous,
13 the regulations require that you only stack tires so many
14 in piles, you have to have so many feet of fire break.
15 And then when you're building a levee or a retaining wall,
16 you can't just leave a 25-foot gap in the wall every 200
17 feet. It makes it difficult. So there's been concern by
18 my LEA and we've said that we have equipment there any
19 time to just push the bales out of the way.

20 But I think there are engineered uses that would
21 contribute to a major use of tires. The one wall we did
22 on a road, we used one-ton bales and then we would have
23 had to use one-ton rock. And we saved about \$17,000 a
24 quarter mile in riprapping the side of the road. And then
25 we encapsulated it in concrete. So there are a lot of

1 uses. They're an asset.

2 DEPUTY DIRECTOR LEARY: Great. Thank you, Gerry.

3 Board members, I'd encourage you to go ahead and
4 ask any questions you like as we go forward after each of
5 the speakers.

6 Next, we'll hear from Laura Wright from the City
7 of Pittsburgh.

8 MS. WRIGHT: Good morning. Can you hear me?

9 My name is Laura Wight. I'm with the City of
10 Pittsburgh, Local Enforcement Agency in waste reduction.
11 I'm their Hazardous Waste Reduction and Hazardous Waste
12 Coordinator, and their Solid Waste Manager for the City.

13 Being that the City of Pittsburgh has its own
14 Local Enforcement Agency, we've had the opportunity to
15 really concentrate on this issue of waste tires. And it's
16 something that's become quite near and dear to my heart,
17 because I'm really tired of seeing all the tires illegally
18 dumped throughout my city. We have some unique aspects
19 being met. We are quite an industrial zone as well as
20 have nice new residential areas, and it's affecting our
21 parks and some of the other parts of our town, so I've
22 been working quite closely with the Special Waste staff
23 for the past, I guess, about the past year we've been
24 talking a lot together and trying to come up with
25 solutions regarding the waste tire issue.

1 In the past few months, they have notified us to
2 go out and check locations of illegal dumping. We've had
3 some auto dismantlers that we've been trying to work with
4 to reduce their piles. One of the locations had close to
5 10,000 tires at one time. We've worked over the past few
6 years to reduce that amount and we're still continuing
7 working with them on that, so it is a constant problem.

8 But what really has been something that we've
9 been trying to work on, is a lot of our problem, is a lot
10 of the smaller, under the 500 tire range. And so
11 therefore, we will probably be approaching you in the next
12 few months. I wanted to see what happened if SB 876
13 passed. It did pass, so I'm updating a city ordinance
14 that we're going to put into effect and come to you to ask
15 to be designated as a Local Enforcement Agency to deal
16 with the waste tire issue.

17 But I wanted to see some of the issues, so that I
18 know how to design the ordinance. So this is very
19 important for me for our ordinance to be effective in
20 curbing some of the problem.

21 In particular, I think it would be very
22 beneficial, with regards to the waste tire bounty program,
23 I think that would be something we really need to look
24 into. We did something very unique in Pittsburgh, in that,
25 we have teamed up -- our code enforcement agency is a

1 sworn police officer agency. It's not under a particular
2 department. It is under the police department. So the
3 people that I get a chance to work with who have helped us
4 with the enforcement of the waste tire regulations have
5 been full fledged officers.

6 So with their support, because they deal with the
7 illegal dumping as well as the LEA, we have done the
8 training of the wonderful video that was approved by the
9 waste tire and the CHP. They have a video and training
10 program, so we've been trying to educate and do the
11 training, but there still needs to be more.

12 In the past two and a half, three months, we have
13 been inundated all again with illegal dumping of over 300
14 tires the past three months in culverts and allies and
15 it's just been mind boggling. We don't know why, all of a
16 sudden, we're just being hit.

17 We've finally gotten permission from some
18 property owners, we're trying to figure out doing some
19 surveillance work to find out who is dumping all these
20 tires. We have some suspicions, based on things I would
21 have never known, as an LEA, had it not been for the local
22 police agency telling me that there's been some wars with
23 some of the autobody shops and whatnot that they believe
24 that the tires are from the illegal body shops that
25 they're trying to crack down on.

1 So they took me on a raid the other day and the
2 illegal auto body shops contribute -- when I walked behind
3 their location, the auto body shops, you know, little
4 locations, have all these tires. So when the -- now, I'm
5 trying to work with fire when they come through and do
6 their sweeps, they say you have to remove all this fire
7 material and all that.

8 Well, then they don't know the proper procedures,
9 so what do they do, they dump out into the sides of the
10 streets. So we're trying to -- we know that in talking
11 with the Board, there's nothing we can do below 500 unless
12 I do a local ordinance, so that when I go out and do the
13 inspections, I can say you can only have so many tires,
14 you must have a waste tire management, you must have this
15 and whatnot to support what the Board has.

16 So it is a very, very tough situation for our
17 city, because it just contributes. When they dump the
18 tires out, then I have all the outside people coming in
19 and dumping within our city. Who's ever dumping that 300
20 tires, it's all in two locations, so I'm trying to get
21 funding in other ways to help curb why there's problems in
22 these parts of towns. But then we just found over on some
23 other areas they dumped another 60 tires and that was just
24 told to me two days ago.

25 So we have -- there's any way that -- I know that

1 the 500 is a range, but maybe some of the issues with the
2 waste tire bounty program can come to a more local level,
3 so citizens there can do outreach programs, so that you
4 can notify the local enforcement agencies, so that we can
5 encourage them to call in.

6 We're trying to do something similar on a local
7 level, but funding is kind of tight, so that they can call
8 into the local police and say we just spotted, you know,
9 and get the information out. That would be very helpful
10 to us. Some of the things I know they're on a larger
11 scale, like major counties, Kern, and things like that,
12 they're going to have the larger tires, but don't forget
13 some of the smaller, you know, cities and whatnot
14 throughout -- the agencies, throughout our areas that may
15 not have that ability. And that would be nice to have
16 some assistance on the lower level.

17 BOARD MEMBER PAPARIAN: A quick question for you.
18 Do you have any sense of what's an appropriate bounty to
19 get some action? Do you have similar bounties in any
20 other nonwaste areas in a city that you know of?

21 MS. WRIGHT: One we saw they had one for \$50. I
22 don't think it's done very well. I've heard, you know,
23 they get some 200. I think that's a little -- I don't
24 know, maybe \$100, \$200 range. I'm not really sure. We're
25 in the same struggling situation of seeing if we can get

1 monies to increase our reward protection program, because
2 the \$50 isn't working, so we're trying to see if we can
3 move it up to \$75 or \$100 so that we can get more calls in
4 for not just trash and another illegal dumping of, you
5 know, cars and things like that, but also the waste tires.
6 So we are trying to work on that, so that the other
7 thing -- maybe \$100.

8 BOARD MEMBER PAPARIAN: Thanks.

9 MR. DUNN: Mark, didn't we address the bounty
10 program in the bill?

11 DEPUTY DIRECTOR LEARY: As Martha pointed out and
12 we try to identify in the report briefly, is that 876
13 gives the Board the latitude to consider developing a
14 bounty program. It's not directional one way or another.
15 It says it allows the Board the authority to consider
16 development of a bounty program.

17 So we've included it in our first cut of the plan
18 as a consideration that we need to go forward and talk to
19 people like Laura and figure out how this might work and
20 whether it's constructive or not.

21 MR. DUNN: In the proposed budget of this, did
22 you include any money to match or improve the proposed
23 bounty program or not?

24 DEPUTY DIRECTOR LEARY: We didn't yet, not in
25 this draft, not having a good sense for how it would come

1 together.

2 BOARD MEMBER PAPARIAN: One of the things I'd
3 like to do is take a look at other State agency bounty
4 programs. I think Fish and Game may have some. I think
5 some federal agencies have some as well, and just to take
6 a look at their effectiveness and the type of level of
7 bounty that seems to make a difference.

8 DEPUTY DIRECTOR LEARY: We will. Laura, as
9 you're the first LEA to come to the podium, what did you
10 think about our thoughts on putting these grants together?
11 I know that the 117 Report provided some direction that we
12 needed to be consistent with our grants, needed to have
13 them for multiple years.

14 What kind of resources would you, from the City
15 of Pittsburgh, look to develop -- need from the Board to
16 develop a comprehensive tire program at the local level?
17 Any sense of it at this point?

18 MR. WRIGHT: Well, parts of it, because I've had
19 so many discussions with the State staff here and I don't
20 know what I'd do without them with the resources
21 available, so I want to say thank you to them very much
22 and all their time.

23 A lot of it has to be because we're not as large
24 as some areas. You know, being the City, we're not acting
25 on a county level, so I know they're needing a lot more

1 resources and things like that. But even other cities
2 that want to tackle this problem on a local level, where
3 an LEA might be a little bit too strapped to deal with
4 this situation, they want to deal with this blight. And
5 I'm sorry, it is blight. It can destroy an area of town
6 quicker than you can imagine.

7 Areas that they might be able to access funds to
8 help clean up a part of town for, you know, some of the
9 tires or whatnot. Right now, it's coming -- the tires
10 that we pick up come out of our general fund. We pay to
11 clean them up and manage them and so staff goes out,
12 cleans them, picks them up, manages, you know, then we pay
13 to get rid of them.

14 Some places just don't have the money or the
15 resources to do that. You know, we've asked if there has
16 been funds to help us with that problem. Another thing
17 would be helping with surveillance equipment. That's
18 another problem we've been having, because obviously this
19 is happening at night. And if we could borrow, or there's
20 ways to get equipment that does nighttime surveillance,
21 because we've had many discussions on that, some of our
22 equipment right now that we have through our police
23 department can't do nighttime -- adequate nighttime
24 surveillance.

25 So that would really help so we could, you know,

1 hone in and capture some of these people. Because if we
2 could identify a couple of those trucks that we know are
3 dumping, because we can't find them, if we knew what the
4 truck was, when he's going around town, we can let the
5 police agency know and they can pull them over. So those
6 are the two biggies right there.

7 DEPUTY DIRECTOR LEARY: Thank you.

8 BOARD MEMBER MEDINA: I'm wondering to there's
9 any assistance that we can provide the local LEA's to
10 model local ordinances for dealing with less than 500
11 tires or a position to do that?

12 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:
13 We have actually been working with the City of Pittsburgh
14 to develop the kind of language that a community could use
15 to create such a program. We don't have it finalized yet.
16 You know, there are some issues on how much we can
17 authorize, how much they're able to carry out, given the
18 budget constraints. But we have been working with the
19 City and do plan to continue it.

20 It's possible they're the first one, a
21 guinea-pig. It would be a model for other communities
22 then to use that same setup.

23 MS. WRIGHT: I'm hoping to have the draft --
24 I wanted to -- with 876, there's a lot of things that will
25 modify our ordinance, so I'm going through and redoing it

1 and running it past our city attorney so that I can
2 provide another draft, because we've already had a meeting
3 with the State staff on our draft ordinance to see if it
4 can work and then bring it to the Board.

5 BOARD MEMBER MEDINA: Is their City Manager,
6 Willis Casey, involved in this program?

7 MS. WRIGHT: He has been apprised that we're
8 going to be doing this and so he'll probably see a draft
9 shortly.

10 BOARD MEMBER MEDINA: Give him my regards.

11 MS. WRIGHT: I will.

12 DEPUTY DIRECTOR LEARY: Thank you.

13 Our next speaker will be George Larson.

14 MR. LARSON: Good morning members and staff. My
15 name is George Larson. Over the course of the day, I'll
16 offer comments on behalf of waste management, Lakin Tire,
17 Kings Waste Recycling Authority and SmarTech pyrolysis
18 technology. I'll indicate for whom I'm speaking at the
19 appropriate time.

20 I'd like to ask an administrative question first.
21 Mark, you gave your overview of how things are shaping up
22 in the implementation. Clarify for me and the audience,
23 there's a requirement, I believe in 876, that this
24 five-year plan be developed prior to the funding,
25 basically, for the programs. Could you comment please on

1 what you see as the time frame. I know it's due by July
2 1, probably going to try to beat that in terms of timing.
3 When would you see the amounts of money that are going to
4 be ultimately allocated to the various purposes being
5 available?

6 DEPUTY DIRECTOR LEARY: Thanks, George. I can
7 touch on that briefly. This workshop today kicks off, as
8 I said earlier, the start of our adoption of the five-year
9 plan process. We're hoping to capture the comments
10 offered here today and bring back to the Board at the
11 February board meeting, for discussion purposes only, the
12 next draft of the five-year plan. And then with further
13 direction from the Board to enhance that draft.

14 We hope to be then back, again, before the Board
15 in March or April to have the Board adopt the plan at that
16 stage. And the advantage of adopting it early, say in
17 March or April, is so that the plan then is adopted and
18 then can affect the budget making process that will be
19 ongoing at the Legislature prior to the Governor signing
20 the budget bill, you know, hopefully somewhere around July
21 1st.

22 So the speedy adoption of this five-year plan, is
23 looking to affect the Governor's budget through the
24 legislative process to enhance our resources so on July 1,
25 we'll have an additional allocation of additional

1 resources to get this plan up and running and full speed
2 ahead as the start of the new fiscal year.

3 MR. LARSON: And just one further point. I
4 notice that under some of the subject areas you will be
5 developing notices of funds available for various
6 different aspects of it in advance of July 1. That's sort
7 of an anticipation that the monies will be available, but
8 you can get the ball rolling?

9 DEPUTY DIRECTOR LEARY: Exactly.

10 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:
11 One of the requirements to do this will have to include in
12 the notice language informing people, potential
13 applicants, that this is all, you know, just a likelihood
14 of funding. Our idea is because this last year did not
15 have funding under the old fee for some of the grant
16 programs that we have normally offered, that we wanted to
17 get next fiscal year's grants out as quickly as possible,
18 so we're trying to get some of the administerial paperwork
19 out and done, but that no award will be done until after
20 the budget is adopted.

21 So it will all be, sort of, tentative funding
22 levels. The actual amount for a new grant will be set for
23 the total program funding. And we understand that this
24 implies a little bit of a risk for an applicant that
25 they'll be filling out a form and doing some work before

1 they know for certain that the monies are there. The
2 alternative was that the funds, the actual grants, could
3 not be awarded to the following spring and we were trying
4 to avoid that.

5 MR. LARSON: On behalf of Waste Management, and
6 Lakin tire, who both had representation and participation
7 in the AB 117 process throughout, we heartily concur and
8 agree with the priority for enforcement that's been
9 expressed in the efforts thus far. I do have a question
10 on page six under the section called The Plan, the second
11 paragraph under D, you indicate some dollar figures for
12 staffing for the Waste Board, again, which we heartily
13 endorse enhancement of your enforcement staff.

14 Those figures, the 700,000 for the first year and
15 850 ongoing years two through five, are not reflected in
16 the Part E, the table. Did I just miss something?

17 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:
18 We had the numbers folded into the administration, if you
19 look at the table at the very back of the report.

20 MR. LARSON: Okay. So it shows up somewhere.

21 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:
22 We just didn't want to double pad it, because we were
23 assuming staff salaries and board expenses shows up under
24 the administrative listing and realized that if we put it
25 in the other table, we might end up double counting it at

1 the summary table.

2 MR. LARSON: Okay.

3 BOARD MEMBER PAPARIAN: It is maybe a good point,
4 though, if they are truly dedicated to enforcement, we may
5 want to list it in those areas, so it doesn't look like
6 we're so top-heavy in administration, that we actually are
7 doing program stuff.

8 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:
9 That has been done in some past years. It's certainly
10 something we can do again, how we label it.

11 BOARD MEMBER PAPARIAN: Yeah, we can talk about
12 it further.

13 MR. LARSON: Under the Local Enforcement
14 Agencies, I certainly am -- these comments, I think,
15 reflect some similarities that exist in the State,
16 certainly with my client, Kings Waste Recycling Authority,
17 similar to the Local Enforcement Agency from the City of
18 Pittsburg.

19 We have, in Kings county, a population of about
20 120,000, three incorporated cities and I don't know the
21 exact number of thousands of square acres, but it's a lot
22 of farm land, and it makes an easy target for illegal
23 disposal. And what we get there may be because of the
24 convenience of Interstate 5 running through the county and
25 99 large volumes of tires. They look like maybe a walking

1 floor trailer might have made a nice stop on the side of a
2 road and dumped off some tires illegally. Certainly,
3 they're in volumes that propose a significant problem.

4 What I'd like to see and I think would reflect
5 the needs of a lot of local governments is a great deal of
6 latitude in the ability to expend monies for cleanups for
7 these smaller piles. And I believe that was the same
8 issue that was raised by the representative from
9 Pittsburg.

10 We are also a Joint Powers Authority, so we
11 represent all the incorporated cities in the county. And
12 I want to make sure that in any of these actions or
13 regulations that are developed that we would take into
14 account that Joint Powers Authorities are out there and
15 that funding mechanisms be incorporated into each of the
16 programs for them.

17 Under the LEA's, again, you have a crank-up year
18 of, I believe, it's two million for the first year, four
19 million set aside and then each year thereafter \$6 million
20 for the program to be continuously funded to local
21 governments. While it's not a Kings County issue because
22 we're a small jurisdiction, I just wondered to when you
23 ramp up from two million to four million to six million,
24 is there any consideration for larger jurisdictions to
25 ramp up to the 200,000 cap so that they can approach their

1 larger problems on a larger scale?

2 DEPUTY DIRECTOR LEARY: We've definitely talked
3 about that, George. And the thought behind ramping up
4 from year to year to year, is it would anticipate greater
5 involvement from more jurisdictions as we go forward.

6 But we also thought about maybe tailoring our LEA
7 grants to the population of the county or to the number of
8 waste tire generation facilities, so that, you know,
9 Tuolumne County may not necessarily get the same resources
10 as LA County.

11 MR. LARSON: Okay. On the model ordinance, I
12 know, on behalf of Kings County, we would certainly
13 welcome a model ordinance, because in our meetings
14 recently with the Executive Director of the Kings Waste
15 Recycling Authority, we do not have an ordinance that
16 would specifically allow us to accept grants and the
17 conditions and provisions that would govern the ability to
18 accept that. We obviously want to be -- come in the first
19 time we would make application for such monies to be on
20 the market for all the information you need. So if there
21 was a model ordinance, I think -- I could promise -- I
22 could successfully sell to getting that adopted both at
23 the county and the cities in Kings County.

24 Finally -- well, not finally, but on the
25 enforcement agencies' activities too, I would like some

1 clarification, at some point, and if you don't -- if it
2 isn't available today, that's fine, but this money that's
3 going to be dedicated to the LEAs, it's not clear in here
4 if all of that money is dedicated towards enforcement at
5 the local level. I understand the State will be
6 augmented. We're going to need to augment and support
7 enforcement activities at the local level, but it's the
8 cross over between that enforcement function and the
9 abatement and cleanup that will be addressed in another
10 section.

11 Your Master Service Contracts for the cleanup of
12 major waste tire piles throughout the State don't provide
13 the kind of service that we're thinking -- we think we'll
14 need and I think other jurisdictions for these smaller
15 cleanups. We'd like to be able to demonstrate, based on
16 the criteria you develop, over a period of time that as
17 tires manifest themselves on the ground, we get them
18 manifested and off the ground and into the appropriate
19 disposal.

20 I would like to make one comment on the ease
21 permit requirements. There's an inference in here that
22 the tiered permitting process, which we all -- I believe
23 most everybody who participated agreed that the tiered
24 permitting process will bring about some ease in
25 developing the appropriate level of oversight by the

1 State, that solid waste facilities have a full solid waste
2 permit, either landfill or transfer station, not be
3 required to come in for an additional permit tier, but
4 that the existing permit structure which supercedes,
5 generally on the tier as you have a full solid waste
6 facility permit, you can have conditions of the operation
7 specified in your permit that govern all of your various
8 aspects of operation.

9 And I would recommend that we just make sure that
10 the solid waste facility permits address that and not
11 bring about another permit process on top of that.

12 And then finally, the PTE's at 20 or 25 pounds, I
13 think is a great idea to equalize the -- level the field
14 for the big industrial tires versus the passenger tires.

15 Thank you.

16 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:
17 George, you had made a point there and it sounded like you
18 were going to be linking the local enforcement grant with
19 the local cleanup grant in some way, was that your
20 recommendation?

21 MR. LARSON: Well, it's not clear to me when I
22 read it in its current stage of development, which I
23 acknowledge we're just doing a first cut at, it's not
24 clear to me to any of the money that's available for
25 enhanced enforcement and Local Enforcement Agency

1 activities, to that money is dedicated to people and
2 enforcement and civil and criminal prosecution or whether
3 any of that money is available for actual tire cleanup
4 versus what's going to be in the cleanup section, because
5 when I go back to the cleanup section, we talk about the
6 large tire cleanups and most of that's going to be
7 controlled by the State.

8 And what I'm asking for is a lot more authority
9 to be delegated and responsibility to be delegated to the
10 local governments to do their own cleanups that are
11 outside of the scope of the major tire cleanups that the
12 Waste Board must do with their, I'll just reference the
13 6.5 million, but it's not clear, I'll ask that question
14 later, how that 6.5 million might expended.

15 I sort of take that off the table for local
16 government. Where is the latitude we have to go out and,
17 you know, clean up these 300 to whatever intermittent
18 piles that just seem to crop up now and again?

19 BOARD MEMBER JONES: If there does turn out to be
20 a program to fund these small tire cleanups, what do you
21 think, and I'll ask anybody from local government that is
22 going to speak, what do you think we need to be thinking
23 about if we're going to fund cleanups in local areas, what
24 steps can local government take to stop that illegal
25 dumping activity? It's like when we have, you know, our

1 2136 cleanups, they do certain things in an area that's
2 historically at illegal dumping going into it where they
3 do berms or -- I don't expect that for 300 tires.

4 But it would seem to me we've got to start
5 thinking about some activity that happens after the
6 cleanup so that people are aware of what's happened and
7 maybe we start looking at thinking about how we're going
8 to stop that from happening.

9 MR. LARSON: Well, the way I read it, Mr. Jones,
10 I think what you're suggesting, which should be required,
11 is covered under the way it's described under enhanced
12 enforcement that we could do more public education. We
13 certainly would want more staff to be able to go out and
14 catch the bad guys in the act if they can, and then to
15 have continuing public education, but also other
16 restrictive measures that might limit the ability, for
17 example, for access to certain pieces of property that
18 have proven to be historically repositories for illegal
19 disposal, because it seems like once that occurs on a
20 piece of property and you go in and clean it up, it's sort
21 of ingrained.

22 The synapses have already been connected for the
23 people who are going to dispose illegally and they think
24 well I'll just take it back to the last place. Oh, gee
25 they cleaned it up anyway. So if we can maybe provide

1 restrictive barriers of some description.

2 BOARD MEMBER JONES: Well, Laura had made a
3 comment about maybe having a pool of equipment similar to
4 what we do in our gas monitoring systems and things
5 through P&E where jurisdictions can go out and borrow
6 apparatus to do certain activities at their sites. Does
7 it make sense to have a pool to spend some of this money
8 to have a pool for some night vision surveillance and day
9 vision -- I mean, some equipment that can be used
10 throughout the state on a borrowing type system, where if
11 we're going to do a bunch of cleanups locally, that part
12 of that is that we attach some surveillance equipment
13 there for some period of time to see if we can catch those
14 repeaters?

15 MR. LARSON: I think it's a great idea. I mean,
16 innovation is -- you have all the tools here that we've
17 never had before, because of lack of funding. And we
18 spoke before the meeting on your experiences of flying
19 down to another project that you're involved. Having been
20 a pilot on that particular aircraft you flew, not the one,
21 but the type --

22 BOARD MEMBER JONES: I actually drove.

23 (Laughter.)

24 MR. LARSON: Well, I should have known that. I'm
25 sorry. But night vision goggles now are just common. I

1 mean, perhaps the CHP contract could be modified to
2 include the ability. They already have night vision
3 goggle equipment to be able to do nighttime surveillance,
4 in particular areas. And you can't do it statewide, but
5 if you've got a problem area and you can define it, you've
6 got all the GIS access capability to define it within, you
7 know, ten square feet to apply that, I think that's a
8 great idea to consider.

9 BOARD MEMBER PAPARIAN: I agree that that's a
10 good idea. I wonder if we might even consider taking it
11 one step further and talk about some sort of regional or
12 statewide strike forces to assist in these areas, if we
13 had a group in the central valley that could move around
14 the central valley to where there are some problem areas
15 that have the expertise to enhance or augment the local
16 law enforcement efforts.

17 MR. LARSON: Again, I think you certainly -- it
18 would not be cost effective to have that kind of a service
19 available in every jurisdiction all the time to have
20 someone or an entity or a group be able to move around
21 would be a great idea. On the actual cleanups that's a
22 little beyond the actual cleanups.

23 I mean for us in Kings County, what I had
24 envisioned as a possible starting point is that we have
25 contractors that we solicit to be able to provide the

1 service of tire cleanups. We submit that list of
2 contractors to the Board for the Board's approval. And
3 then once approved, if a tire cleanup is necessary, we at
4 the local level, can exercise on a preapproved list of
5 contractors to go out and just do the remediation, then
6 report back. And, of course, we have to report back to
7 you how all of that occurred.

8 DEPUTY DIRECTOR LEARY: Thank you, George.

9 Let me not proceed any further without
10 introducing a couple of the other board members, our Chair
11 Linda Moulton-Patterson has arrived and joined us at the
12 dais, as well as Board Member Dan Eaton. We now have a
13 full complement of board members. And then back in the
14 back of the room is our new Interim Executive Director
15 Bonnie Bruce, who's going to make her way up here
16 eventually, maybe not.

17 Anyway, thanks board members for attending the
18 workshops. This is going great.

19 BOARD MEMBER EATON: I had a few comments, Mr.
20 Leary. With regard to the local enforcement, everyone
21 talks about grants and what have you and such the local
22 agencies. And it seems like the money goes down, I don't
23 want it to become like another oil program, where we just
24 have these cycles and nothing really occurs. So if we're
25 going to do any kind of local grants, I would require that

1 on a yearly basis they have to report back to the Board
2 how many tires were cleaned up and at what cost.

3 And the reason for that is because in the bill,
4 we are required to do that every two years anyway. So if
5 we're going to wait till the 18 month and go out and look
6 for figures, it doesn't make much sense. So as the
7 condition of any grant, should we do a grant program, they
8 have to have strict reporting requirements. That way
9 we'll be able to compare what it costs to clean up a tire
10 in San Diego County versus Tuolumne County versus Glenn
11 County and what kinds of resources might be needed.

12 The other thing is what are we going to do with
13 those tires. Is there a requirement for beneficial use?
14 Is there a requirement that we just bring them over to the
15 local cement kiln and burn them? Do we put them in a
16 monofill? I mean what are going to be the requirements in
17 that local grant process. And that has to be fleshed out,
18 I think, before we have a grand plan. You have to have
19 some parameters by which that takes place.

20 More importantly, I guess is who's going to clean
21 it up? Mr. Larson spoke a little bit about preapproved
22 contractors. My understanding is there's only a couple of
23 contractors in the entire State, so wouldn't we have an
24 economy of scale, we've already got those under contract.
25 So are they going to gear up or are we going to pay for

1 the administrative overhead or are the local jurisdictions
2 going to do that?

3 MR. LARSON: May I comment?

4 BOARD MEMBER EATON: Sure. Please I mean that's
5 one of the things that I have a problem with, because I
6 think we have all of this money that eventually someone
7 says we're going to get into our treasury. I'm concerned
8 that we may not have enough resources by which to clean
9 them up, because there may not be enough contractors. I'm
10 looking for contractors.

11 MR. LARSON: Well, to that point, I draw the
12 distinction between a contractor that's necessary to go in
13 and do a remediation at a fire, for example, where there's
14 hazardous implications, water quality threats versus an
15 illegal disposal on a Saturday night special of 300 tires
16 on the side of the road.

17 For Kings county's response and I think it will
18 apply to almost every other jurisdiction, for that kind of
19 cleanup, we can hire ABC hauler -- I mean just either a
20 refuse company or someone who just hauls materials or in
21 our case, we have 40-yard roll-offs that we could send
22 out, but that's a cost to us, so we would ask for
23 reimbursement if we did the cost. We would be your
24 contractor, basically, and --

25 BOARD MEMBER JONES: Kings County?

1 MR. LARSON: I'm sorry?

2 BOARD MEMBER JONES: Kings County Solid Waste
3 Authority.

4 MR. LARSON: Yes. And to your comment about
5 reporting, I think absolutely we have to report on the
6 efficiency of the program to the point of how are they
7 managed. I would offer my emphatic recommendation that we
8 not tie the 30 percent discount system that we had on the
9 cleanup of other tires that have to go to higher end use.

10 We're talking about an immediate demonstrable,
11 environmental and public health threat that needs to be
12 taken care of certainly in encouraging the higher end use
13 at a cement kiln or a crum rubber or other use would be
14 certainly desirable.

15 But I would suggest that it wouldn't be the most
16 efficient for the need here to clean up for environmental
17 public health conditions to tie it to higher end use.

18 BOARD MEMBER EATON: Has Kings County had any
19 experience with the circuit prosecutor? You mentioned a
20 little bit of local enforcement and throwing it into the
21 legal apparatus. And funding local legal proceedings can
22 be a very costly expenditure of money. Has Kings County
23 had any experience with the circuit prosecutor which we
24 have funded, I think, in the past and I think continue to
25 fund. Is that a better way to fund that kind of

1 enforcement activity.

2 MR. LARSON: Well, first, I can't absolutely
3 comment on whether that has been utilized in Kings County,
4 but I have a high confidence that it has not been
5 exercised. And one of the reasons I believe it has not
6 been exercised and I don't mean this as a criticism on the
7 LEA there, they haven't, in their own definition of the
8 way the world works, had sufficient resources to make that
9 a high enough priority.

10 I think with some assistance in the funds that
11 will be available through 876, they will be able to go out
12 and do specific enforcement actions and maybe call upon
13 this other legal avenue which they haven't used yet to my
14 knowledge.

15 MS. WRIGHT: I also wanted to follow up on a
16 couple of comments with that. We're not spread out, being
17 a city that we're a little bit more tight structured. So
18 our issue is that if we don't, our public services staff
19 will go around and pick up all the blight, whether it be
20 refrigerators, waste tires or whatever.

21 We are trying to work with everybody to track and
22 record all of the tires, not just for waste tires but also
23 MPDS, because it also applies for our water quality
24 situation as well. So we're recording and trying to keep
25 track of all that. So we, you know, don't have the luxury

1 of trying to get a contractor. We have to get it off the
2 street immediately, otherwise our residents are calling,
3 council calls in, whoever, you know, to get that material
4 off the street, so it makes it kind of difficult for us.

5 We recently had been trying to get a tire hauler
6 to pick our tires up. We've had some difficulties with
7 regards to getting tire haulers to pick up the waste tires
8 that we had accumulated for the past few months, not only
9 the ones that we generated but the ones we've been picking
10 up. And so it's been difficult trying to put the
11 parameters as to whether to go for energy, whether to go
12 for a monofill or whatever, until we can get -- I mean, of
13 course, we would love to do the -- have it go into asphalt
14 or some sort of product or something like that, but until
15 the markets are stronger that we have places to go right
16 now, some of the contractors, you know, do take them to
17 piles and things like that, and store them until they can
18 be used in different material or whatnot.

19 So, you know, putting that little restriction
20 until we can work on the market end of it, because we
21 would all love to make sure that the tires are handled
22 right. But I can tell you that it's just not there right
23 now. It took us two and a half months to get a contractor
24 out to get our tires.

25 DEPUTY DIRECTOR LEARY: Further comments from the

1 Board?

2 Well then, I think we'd like to move into the
3 next part of our agenda.

4 This gentleman.

5 MR. SERUMGARD: My name is John Serumgard. I'm
6 with the Scrap Tire Management Council. I note that you
7 have CHP increasing its amount each year. However, on
8 page nine, you don't reflect that. And secondly, there's
9 no discussion of what the additional duties CHP will
10 undertake? Is it just to continue an aerial surveillance
11 program? And if they can do that now for \$100,000, why do
12 they need \$400,000 down the road?

13 DEPUTY DIRECTOR LEARY: Thank you for pointing
14 that out. And I apologize for the inconsistency between
15 those two phases. The idea there was, and you're true in
16 the development of this first cut, it's not well
17 explained. But the idea here is that the flow of waste
18 tires is -- the transportation of waste tires on the
19 highway is critical to the flow and management of waste
20 tires in this state.

21 And the thought is that it would eventually grow
22 a relationship with CHP such that they would devote
23 possibly several vehicles and you know, two to four to six
24 officers patrolling full time the highways of this state
25 making sure that waste tires are managed by registered

1 waste tire haulers and managed under the manifest program
2 and making routine tops, much like they do currently, on
3 normal freight and on hazardous materials.

4 And so the thought is that with the development
5 of the further regulation and development of our
6 relationship with CHP that our relationship would grow to
7 the extent that it may, you know, approach somewhere in
8 the neighborhood of \$600,000 a year. That was the idea
9 conceived in that language.

10 MR. SERUMGARD: One last comment, sort of the
11 same area that Member Eaton noted.

12 There will be considerable funding to local
13 enforcement agencies. Is there a concurrent
14 identification of estimated full-time equivalent manpower
15 that would be generated by those grants?

16 DEPUTY DIRECTOR LEARY: Potentially, yes.

17 MR. SERUMGARD: Okay, thank you.

18 DEPUTY DIRECTOR LEARY: Anymore speakers on the
19 enforcement section before we move on?

20 Okay, the second section on our agenda is
21 cleanup, abatement and remedial action. And Martha and
22 Bob Fujii will briefly discuss what we've envisioned here.

23 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:
24 All right. This program element, we have a description
25 here a little bit of how the Board has operated in the

1 past, and I wanted to point out something here, sort of,
2 for everyone's general knowledge. In the cleanups that
3 we've conducted at the State level, which were with
4 statewide contracts, we found that the cost per tire
5 decidedly goes up the smaller the pile you're cleaning up.

6 So in any program where we're working with local
7 governments to have local cleanups of the smaller size
8 piles, we would understand that those costs are probably
9 higher per tire, the mobilization to get someone out to a
10 site to do a cleanup are sort of set costs. And if
11 they're there five days cleaning up 50,000 tires or one
12 day cleaning up, you know, 1,000 tires, it's all a
13 relative cost at the end.

14 The section describes the recommendations from
15 the AB 117 Report. There was a lot of emphasis on trying
16 to do the cleanups very aggressively in the first few
17 years to get as many of these tires out of the fields and
18 alleys and ditches. And what we've tried to lay out here
19 in the plan, Section B, is on page 12, is a program that
20 we will increase the size. There will be a State
21 component and the local component. We will be working
22 both on grants and contracts.

23 The first one is our statewide cleanup contract.
24 And as George Larson had mentioned that contract isn't
25 just necessarily for picking up tires and hauling them

1 away. There's often a cleanup component for the site
2 after the tires are removed, whether it's hazardous
3 materials, such as ash and soil that's been contaminated
4 with oil or reconfiguring contours in the sites so that
5 drainage is appropriate, so that those contracts entail
6 more than just pulling out the tires.

7 We show here two different levels, the short-term
8 remediation and the long-term remediation. The long-term
9 remediation is looking more at the fire sites. These are
10 the Westley and the Tracy tire fire sites. And those
11 estimates are very preliminary right now.

12 You may be aware that just recently the Royster
13 fire, which had been smoldering, has just been put out by
14 a board funded action. And both Wessley and Royster will
15 have to have extensive site characterization to determine
16 how far any of the pollutants have spread and will have a
17 better handle on what the cost of cleaning those sites
18 will be later on. So these are preliminary estimates
19 right now.

20 We then list the local government waste tire
21 cleanup program, which is definitely something we would
22 like to get comments on, what the level is, should there
23 be linkages to the enforcement, should there be
24 requirements on whether there are end uses for those tires
25 that were cleaned up under this program, and what level of

1 funding.

2 And then we have the local government amnesty day
3 grant program described, and Gerry had mentioned it.
4 There's several people, you know, who have had these
5 grants where the local governments can hold a one-day
6 collection event where people are allowed to bring tires
7 for free for disposal so they can be taken before they hit
8 the streets or the ditches.

9 There's usually a very strong public education
10 component worked into that amnesty day grant. And, in
11 fact, Gerry de Roco brought some samples of brochures that
12 they've developed under their amnesty day program to
13 people who are interested, that inform people of proper
14 maintenance and disposal of tires.

15 We list here an emergency reserve account, which
16 was one of the specifications in AB 876, so that we would
17 have access to monies in an emergency, like a fire
18 breaking out again.

19 Transfer of money to the existing farm and ranch
20 solid waste clean up and grant program. And then
21 continuation with the Fire Marshal's Office to provide
22 training to local fire departments and how to respond to
23 tire fires if they break out. And then there's the table
24 on page 14.

25 So please if people have comments, if you haven't

1 turned your speaker's slip in.

2 BOARD MEMBER PAPARIAN: That's SB 424, can I just
3 clarify one thing. The bill requires us to spend at least
4 \$6.5 million a year, but the chart in the out years in
5 2004 and 2005 shows less than six and a half million
6 dollars. Am I missing something?

7 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:
8 There's a sense that if we look at the known piles of
9 tires and what it's going to cost to clean those up, we
10 think we'll get them done in the first two or three years
11 of the program. The unknowns involve grants to local
12 governments and what funding level those should be carried
13 on and how much the cost for the Wesseley and the Royster
14 tire fires will be.

15 So it's quite possible that those years might be
16 higher. But based on what staff knows on the piles that
17 we've identified that are appropriate for State cleanup,
18 we see that actually occurring within the first three
19 years or so of the program.

20 BOARD MEMBER PAPARIAN: We would need, as I read
21 the legislation, I think we would need a statutory change,
22 because I think the legislation requires at least six and
23 a half million dollars in each year rather than an average
24 over a numbers of years.

25 DEPUTY DIRECTOR LEARY: You're absolutely right.

1 And it would take -- we'd either have to meet that 6.5
2 threshold or we would have to change the statute. And the
3 thought is we might as well at least be thinking about
4 this possibility early on in the development of the plan,
5 so that at least we have that in the back of our minds.

6 As Martha suggests, there are so many unknowns at
7 this point, you're just as -- you potentially could be
8 just as right by suggesting there would be a lot more than
9 6.5 every year required in all five or it could
10 potentially be less.

11 BOARD MEMBER PAPARIAN: In terms of what we
12 submit to the Legislature in a five-year plan at this
13 point, though, I think it would be important to have it
14 meet this six and a half million dollar requirement even
15 if we discuss the potential of seeking some changes in the
16 future.

17 DEPUTY DIRECTOR LEARY: Good suggestion.

18 MR. de ROCO: Hi, Gerry de Roco again. We have
19 determined in our area that probably the greatest
20 deterrent to illegal dumping is amnesty days, giving
21 people an opportunity to properly and legally dispose of
22 the tires. And I think the greatest boon to this town is
23 going to be in this 876, which will allow us to issue the
24 letters of -- or manifests to people to bring in to
25 transport more than four tires -- I mean without a

1 manifest to transport nine or less.

2 We have had amnesty days where we literally
3 receive five or six thousand tires. People just running
4 back and forth four tires at a time and sometimes more
5 than four. So this would be -- I think this would be
6 probably the greatest thing that would come down in
7 eliminating illegal piles.

8 People do not want to keep the tires sitting
9 around in their yards. That's why they illegally dispose
10 of them. If they have an opportunity to bring them in to
11 a legal disposal site, I think it will be of great benefit
12 to the environment.

13 The other thing is we developed this brochure
14 that I passed around to hand out at fairs and car shows.
15 And it's on the care, how to properly purchase a tire, how
16 to look for a tire that's got long life to it, how to
17 dispose of it. We developed the brochure and we're going
18 to give it out in high schools, auto shops. We've been to
19 car shows. We've been to races. It's been well received.

20 And we hand it out in conjunction with our used
21 oil recycling program and also with our household
22 hazardous waste collection. And this past fall we had
23 several outreach events where we went way out into rural
24 counties and had combination HHW one day collection as
25 well as tire amnesty collections. And we've received

1 probably 20 times the volume or weight in terms of tires
2 compared to HHW. People just in the farms and ranches
3 just love the thought of properly getting their tires
4 hauled off.

5 So we hired a hauler and we had several county
6 vehicles and trucks and collected thousands of tires on
7 each Saturday. So it can work if you can transport them.

8 BOARD MEMBER PAPARIAN: Gerry, I think you said
9 earlier you had collected 60,000 tires during your amnesty
10 days.

11 MR. de ROCO: We will. We've collected about
12 45,000 now.

13 BOARD MEMBER PAPARIAN: Okay, 45,000 Do you have
14 a sense of how much it costs to do that?

15 MR. de ROCO: We're fortunate. We have a hauler
16 in our area that is baling tires for us. So he comes in
17 and bales tires and doesn't charge us and we don't charge
18 him for disposal costs. So we get a lot of tires brought
19 in that he picks up and bales and brings them in for us.
20 It's costing us probably around 35 cents to 40 cents a
21 tire.

22 BOARD MEMBER PAPARIAN: Just to follow up on that
23 with the staff, I think perhaps setting some goals in
24 terms of how many tires we'd like to collect in this way
25 and what the costs are associated with that would be

1 included in the report.

2 DEPUTY DIRECTOR LEARY: Actually, that's --
3 thanks for making that comment. I think that's -- I'd
4 like to expand on that a little bit. In the sense that in
5 my introductory remarks I made the comment that what we
6 have not provide in this first cut is what the legislation
7 requires, that we develop performance objectives and
8 measurement criteria for our success.

9 And to the extent that you would like to offer
10 comments as to how we might craft those, as we move
11 forward, those would be very much appreciated also.

12 George.

13 MR. LARSON: With some experience in government,
14 I recognize flexibility as being a wonderful asset to have
15 when you're trying to carry out a program. And while the
16 statute itself restricts you in certain ways to having to
17 spend X number of dollars in cleaning up, I just have a
18 few comments that I'd like to offer for your
19 consideration.

20 And I'll start by first acknowledging Martha's
21 comment that the smaller the tire pile is, the more
22 expensive it is per tire to do it. And we know that the
23 cleanups that are going to be addressed with this \$6
24 million are not the nice ones. And there are, I know the
25 Department of Health, Toxic Substances Control Division

1 would love to help you spend your money through their
2 budget to do their job, too.

3 But, you know, they are there for a specific
4 purpose. But the point being, if we use the 61 cents per
5 tire average and look at what's been done over the
6 previous five years, we've cleaned up a little over 11
7 million tires at a cost of six million eight hundred
8 thousand approximately. Projecting that out to six and a
9 half million per year at that cost, which we know is not
10 accurate, that's 56 million tires. There just aren't that
11 many to be cleaned up.

12 So what I'd like to suggest is that if we look at
13 the recommendation for the funding for local government
14 waste tire cleanups, so that's \$3.6 million over five
15 years. It would be very, I think, helpful not only to
16 local governments but in your planning processes and
17 budgetary processes you have to go through with the
18 Legislature to have this money appropriated that you could
19 give yourself some flexibility to be able to spend as much
20 as you deem necessary of that 6.5 million and enhance the
21 ability for local governments to do waste tire cleanups
22 above the 3.6 million, which I think LA could probably
23 spend successfully in one year or less just to clean up
24 their tires.

25 Thank you.

1 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

2 George, I have a question. We've been offering these
3 cleanup grants for several years, and they're not always
4 fully subscribed. The monies we have available are not
5 always used by the applicants. We don't have enough
6 applicants.

7 One of the reasons maybe these numbers seem a bit
8 low to you is that we're trying to base it on past year's
9 experience, growing the involvement of the local
10 governments. As they see success stories in places like
11 Glenn county or elsewhere, they may come forward year by
12 year in greater numbers.

13 We would be happy to receive suggestions on how
14 to increase participation. It's been very slow. We don't
15 know if it's limited by the amount offered, by the
16 short-term nature of the money. But if you or anyone in
17 the audience has comments on what to do to increase that
18 participation, then these numbers can certainly be changed
19 to reflect that.

20 MR. LARSON: I certainly will put something down
21 on paper specific. I ask your assistance, if you will.
22 I'm not certain what conditions were attached to the
23 ability to accept those local tire remediation contracts
24 in the past. But my recollection, not being able to
25 pinpoint the issue, was there's a matching dollar amount

1 requirement?

2 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

3 (Supervising Waste Management Engineer Gildart nods head.)

4 MR. LARSON: Well, the first dollar necessary to
5 be raised to clean up tires at the local level is often
6 the most difficult dollar to get. So on a matching basis,
7 it may be the reason that it resulted in the response
8 you've gotten. So if it was a hundred percent cost to
9 cover a hundred percent of the costs and public education
10 and those types of activities, I think you'll have a huge
11 response.

12 BOARD MEMBER EATON: Absent Royster and Wesseley,
13 how many sites are contemplated for the fiscal year
14 2001/2002, and how many tires are in those sites?

15 DEPUTY DIRECTOR LEARY: Well, I think that's --
16 at least in my introductory remarks, I think that's where
17 I identified we're lacking in detail. And I acknowledge
18 that at the get-go that we haven't prescribed in the plan
19 yet, but we hope to with the sequence and priority of
20 sites as we move forward. We have some ideas and maybe
21 I'll let Bob and Martha speak to that.

22 BOARD MEMBER EATON: We know how many sites are
23 out, don't we. I mean we've paid the CHP to fly over. We
24 at least have -- I mean, you can give me, maybe not the
25 quantity of tires, but how many sites are out there,

1 because what I'm trying to do is not, as I mentioned at
2 the public hearing -- at the last board meeting, it's not
3 rocket science to determine your performance.

4 If you have 100 sites out there, and you clean up
5 100 sites in three years, that's pretty -- that's a
6 performance based, you know -- you've cleaned up 35 each
7 year. And therefore, you can tag how much money it costs
8 you. I mean, that's what the people who are paying this
9 fee and the tire manufacturers and the scrap tire
10 individuals with the Legislature said we want to find out
11 what you're going to clean up.

12 I mean, so we should know how many sites there
13 are. And how many are there? And how many are based in
14 2001?

15 DEPUTY DIRECTOR LEARY: That's the definition we
16 haven't provided. If you go to the top of page seven and
17 back in the Enforcement Section, we talk about the success
18 of the aerial surveillance program, we've identified 279
19 sites suspected of storing waste tires. And of these
20 we've investigated 103. So you could logically conclude
21 there are another 176.

22 BOARD MEMBER EATON: Out of that 103 what have we
23 found out?

24 DEPUTY DIRECTOR LEARY: Well, we've done a number
25 of different things. Some we've cleaned up. Some we've

1 written letters of violation and cleanup and abatement
2 orders that have driven the responsible party to clean
3 them up. But for the most part, they've either been
4 permitted or they've been subject to an enforcement action
5 that maybe continuing or as a result of that enforcement
6 action, the site has been cleaned up.

7 So those -- there are some portion of that 103 --

8 BOARD MEMBER EATON: I know it's kind of a moving
9 target, I understand that.

10 DEPUTY DIRECTOR LEARY: It certainly is.

11 BOARD MEMBER EATON: But are there 50 sites then
12 that haven't -- that are eligible in the 2001/2002? I
13 mean, I just don't want to get our clock cleaned if we go
14 into the Legislature and say, you know, we don't have the
15 stats. I mean we've got to go in and say there are 70
16 sites out here that we know of currently, and this is our
17 plan for getting those 70 sites initially, while we have
18 the ongoing surveillance and the ongoing kinds of things.

19 DEPUTY DIRECTOR LEARY: We're with you 100
20 percent on that Danny. We just haven't had -- in
21 developing this first cut, we haven't focused to that kind
22 of detail yet. We fully intend to. And before this plan
23 comes before you in February, we'll have that kind of
24 detail that we'll attempt to distinguish what sites are
25 out there, what sites we anticipate moving on first,

1 potentially what their costs will be, and we'll fine tune
2 this whole cleanup section further right along those
3 lines.

4 BOARD MEMBER EATON: Because my point is not to
5 be critical of the staff, but if it's a problem that the
6 staff doesn't have enough personnel in order to complete
7 our work, even on our plan, then we have to correct that,
8 because that's part of what the legislation put in is that
9 we have those enforcement officers and that's what the
10 original interest of some of the members who authored this
11 legislation happen to be is the fact that there was a lack
12 of enforcement officers out there.

13 So if we don't have the personnel, then we need
14 to know that before we go into the budget, so that we
15 develop a proper plan, instead of giving money to other
16 agencies.

17 DEPUTY DIRECTOR LEARY: Well, --

18 BOARD MEMBER EATON: And also, what is this
19 assumption based on? Is this assumption -- have we
20 worked in the legal costs? Are all of these sites based
21 upon the fact that we do have proper legal access or is
22 there certain assumptions that you've made that half the
23 sites will have no legal complications and therefore what
24 is the cost? And are we factoring the cost into that
25 cleanup, because that will go towards the \$6.5 million or

1 is that going to be separate?

2 What are those assumptions we've factored in to
3 come up with this chart?

4 DEPUTY DIRECTOR LEARY: Well, I think our
5 assumption as far as this chart go were very rough. And
6 they haven't considered the kind of details that you're
7 suggesting, but they will. And I think we've got somewhat
8 of a track record based on the last three or four years of
9 cleanup and enforcement actions, that we can project
10 relatively safely that 45 percent of those CHP sites will
11 result in some sort of enforcement action that will
12 require legal resources and we'll figure that into our
13 detail that we will provide as part of this budget.

14 BOARD MEMBER EATON: Has the Gary sight over in
15 Sonoma, what's the current status of that?

16 DEPUTY DIRECTOR LEARY: That's a very big tough
17 nut that we have yet to crack.

18 BOARD MEMBER EATON: Are they cleaning it up or
19 is that in legal proceedings?

20 DEPUTY DIRECTOR LEARY: No, we haven't moved
21 forward to legal proceedings. We've exhausted the staff
22 driven administrative process. And we need to decide
23 where we want to go with it next for that.

24 BOARD MEMBER EATON: That's a potential for a
25 large number?

1 DEPUTY DIRECTOR LEARY: A very large number.

2 I wanted to make one other -- your comments are
3 dead on in the sense that the next draft of this cleanup
4 proposal or this cleanup section as part of this proposal
5 will talk about the sites that have been through the
6 enforcement process and now require further cleanup.

7 But there are the 176 further sites that we
8 haven't had the resources heretofore to investigate
9 further, and that may result in further follow-up
10 enforcement.

11 So the second part of the component of the detail
12 that we'll provide in this next draft is the enhancement
13 of staff resources to follow-up on the 176 or so sites
14 that have been identified by CHP that haven't received any
15 attention by our staff yet to determine whether they need
16 to be permitted, needed enforcement action or need to go
17 directly to clean up.

18 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:
19 If I could add one point here, the distinction between the
20 enforcement program and the cleanup program has been a
21 little blurred here in our comments. You know, people
22 have been going back and forth between the two programs.

23 The costs for staff to go out and inspect these
24 sites and determine whether they're illegal and then
25 pursue the site owner or responsible party for cleanup are

1 reflected in the first program element on enhanced
2 enforcement. And that was part of that \$700,000 to
3 \$850,000 for staff. That would reflect somewhere in the
4 ten to 14 staff.

5 BOARD MEMBER EATON: Our staff?

6 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:
7 Our staff. And so a good deal of the costs you're asking
8 would be covered in that program element. Once it is
9 deemed impossible for the site owner to clean up his own
10 site, that's when it gets turned over to our remediation
11 program, and the dollars there reflect the cost of going
12 into the site and removing the tires and then whatever,
13 you know, remediation of the site surface itself is
14 required afterwards, so that there is some overlap there.

15 But some of the dollars for enforcement actually
16 reflect activities that lead to the cleanup. So it gets a
17 little hard to tease out sometimes.

18 BOARD MEMBER EATON: So the assumption is that
19 there's cleanup money, there will be no legal costs
20 associated with our legal department because that will
21 make the assumption that it has already been processed in
22 some form or another, so there's no legal costs built into
23 that factor?

24 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:
25 That's correct.

1 BOARD MEMBER EATON: So that's the presumption.

2 BOARD MEMBER JONES: One thing I think that
3 through this process as people speak and offer
4 suggestions, we probably ought to have an element of this
5 plan that talks about what our ultimate goal is in six
6 years, what's the target that we're looking at, what is it
7 that we want to accomplish by putting this program
8 together.

9 And obviously it's the elimination of tire piles.
10 It is building markets that will provide the
11 infrastructure for the movement of the 33 million tires
12 that are in the commerce flow each year. And I also
13 think, obviously, creating a manifest system that tracks
14 from generator to end user.

15 I think it's important for us to state the goal
16 as apart of the five-year plan, so that we can be measured
17 against and each component should have a goal what we want
18 to achieve in going through this process, because clearly
19 there's going to be a lot of people out in the audience, a
20 lot of stakeholders that are going to have different goals
21 for what they'd like to see those dollars used for in this
22 program.

23 And I think we need to be real aware of what our
24 goal is as a regulatory agency and make that part of this
25 five-year plan, so that we never lose target of what it is

1 we're trying to do through this program.

2 BOARD MEMBER PAPARIAN: That's a real excellent
3 suggestion. I think you need to talk about procurement
4 goals for the State and other things as well those are the
5 very programs.

6 Can I ask one question about back in the
7 enforcement section, there was a mention of, I think, \$1.4
8 million that's been imposed in fines in the last six
9 years. Is that how much we've collected?

10 No.

11 How much have we collected?

12 Just a ballpark.

13 DEPUTY DIRECTOR LEARY: It's pretty minimal. I
14 think it's safe to say pretty minimal.

15 BOARD MEMBER PAPARIAN: How come the discrepancy
16 between --

17 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:
18 In some instances the individual doesn't have cash on hand
19 to pay a fine, so we put a lien on the property, which
20 means we need to wait until the property is sold before we
21 can collect. Does the legal office wants to offer any
22 other explanation?

23 The process itself is very lengthy. We have to
24 go through multiple steps before we actually get the order
25 and judgment and then the individual has to show whether

1 they're able to pay it, whether they have anything of
2 worth that they can sell or, you know, cash out to pay.

3 Quite often, you'll have a \$50,000 piece of land
4 with 200,000 tires on it and the fine is \$100,000 and the
5 land itself wouldn't even recoup our costs. It's a
6 difficult situation.

7 BOARD MEMBER PAPARIAN: Presumably in this plan,
8 we'll be stepping up enforcement activities, and the
9 potential is that there's an increase in the amount of
10 fines that would be levied.

11 What happens to that money when it comes in, when
12 we actually collect a fine? Where does it go? Does it
13 get credited to waste tire? Would it be additive to this?

14 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART: I
15 believe it goes into the account. I just want to check
16 with the legal office to make sure my understanding is
17 correct.

18 CHIEF DEPUTY DIRECTOR FISH: Martha, I could
19 answer that.

20 Yes, it does. We have authority in the tire fund
21 to actually collect fines and penalties. And then that
22 money is then available for appropriation during the
23 budget process. So it's treated as cash.

24 BOARD MEMBER PAPARIAN: It would be specific
25 to -- a tire fine becomes tire money.

1 CHIEF DEPUTY DIRECTOR FISH: Becomes a revenue to
2 the tire fund, exactly.

3 BOARD MEMBER JONES: In this process, though,
4 didn't we -- I don't know if it got in the bill or didn't
5 get in the bill, didn't we talk -- didn't local
6 governments want to have the ability to keep their funds
7 or am I getting this confused with another discussion? It
8 seemed to me we talked about how do we get local
9 government more involved. And part of the carrot that we
10 were thinking about offering and we may not have included
11 it in the bill, it may not have been ended up in the final
12 draft, but does this ring any bells to anybody?

13 CHIEF DEPUTY DIRECTOR FISH: You know, I think we
14 might have existing law in the tire fund that indicates
15 costs associated with an illegal tire pile can then go
16 back to not only the Attorney General, meaning a State
17 recovery, for their cost of litigation, but also to a
18 county. And so there is language already in existing law
19 that does allow for that to happen.

20 BOARD MEMBER JONES: I know we had the
21 discussion. I don't know what the outcome of that was.

22 CHIEF DEPUTY DIRECTOR FISH: I don't think
23 anything new was added.

24 CHAIRPERSON MOULTON-PATTERNSON: Senator Roberti.

25 BOARD MEMBER ROBERTI: Refresh me, are there any

1 limitations on the tire fund, for example, if we wanted to
2 use that money for board operations which is sort of
3 related?

4 CHIEF DEPUTY DIRECTOR FISH: Well, the entire
5 tire fund, much from a fiscal perspective's dismay, is
6 appropriated. So your entire fund is appropriated by the
7 Legislature, and the amount that you ask for either goes
8 for State operations, local assistance, meaning grants or
9 loans. And so we don't have a whole lot of flexibility
10 within the fund other than what we go forward in the
11 yearly process to ask the Legislature to grant.

12 BOARD MEMBER ROBERTI: So the tire fund goes
13 to -- when we collect the money, it goes to the tire fund,
14 but we can't appropriate that money over and above what
15 the Legislature had granted us in the prior year's budget,
16 in that year's budget?

17 CHIEF DEPUTY DIRECTOR FISH: We can, but that is
18 the budget process itself, where then you would ask to
19 submit a budget change proposal to increase that authority
20 to do an increased activity that that money would then
21 support.

22 BOARD MEMBER ROBERTI: And what if the tire fund
23 had more money than we asked for, what happens to it?

24 CHIEF DEPUTY DIRECTOR FISH: If the tire fund has
25 more money than we theoretically have appropriation

1 authority granted to spend, the money then rolls forward
2 to the next year until the appropriation authority is then
3 raised to capture or it grows as a revenue in the fund
4 itself.

5 BOARD MEMBER ROBERTI: So the money is never lost
6 to the fund then?

7 CHIEF DEPUTY DIRECTOR FISH: No.

8 BOARD MEMBER ROBERTI: When the Legislature
9 appropriates the money, are the limitations within that
10 appropriation or are the limitations both within that
11 appropriation and existing statute? Do you understand
12 what I mean?

13 CHIEF DEPUTY DIRECTOR FISH: Well, you're limited
14 to two categories.

15 BOARD MEMBER EATON: I think you're talking about
16 Finance. See, we may have the money and the Legislature's
17 granted us the money, as they have here, but Finance,
18 those curmudgeons with the green caps, --

19 (Laughter.)

20 BOARD MEMBER EATON: -- give us authority. And so
21 what we have is they may tell us we can only spend \$5 and
22 we have \$10 in our account and therefore that's the real
23 problem in terms of what we've experienced already this
24 spring is the fact that when we're trying to get at some
25 of this money to get the things moving along, Finance has

1 told us, what, we can't spend it or we can't hire the
2 people, but the Legislature has given us that money.

3 CHIEF DEPUTY DIRECTOR FISH: At this point, there
4 is no --

5 BOARD MEMBER EATON: I can be critical of them of
6 the curmudgeons. You know, we all know them. They sit
7 right there in the well and they tell you, you know.

8 CHIEF DEPUTY DIRECTOR FISH: At this point, there
9 is no additional spending authority in the recently
10 unveiled Governor's budget. However, we are granted
11 money --

12 BOARD MEMBER ROBERTI: And that's Finance's
13 authorization to us, not necessarily what the Legislature
14 may do?

15 BOARD MEMBER EATON: Correct.

16 BOARD MEMBER ROBERTI: Now, what if the
17 Legislature in the budget process gives us more money out
18 of the tire fund than Finance contemplated in their
19 spending authority to us?

20 CHIEF DEPUTY DIRECTOR FISH: Well, if as we --

21 BOARD MEMBER ROBERTI: Has that ever happened?

22 BOARD MEMBER EATON: Yearly.

23 BOARD MEMBER ROBERTI: Pardon?

24 BOARD MEMBER EATON: Yearly. That's what it
25 basically is, is that we go and we ask for the money,

1 Finance tells us no, the Budget Conference Committee says
2 yes, and the Governor signs it. We get the money and
3 Finance, at some point, next year finds a way to punish us
4 for going around them.

5 (Laughter.)

6 CHIEF DEPUTY DIRECTOR FISH: And we can consider
7 curmudgeons not just Finance but also the entire granting
8 administrative body, which includes the Governor and the
9 Legislature.

10 So we know that they are all looking for a
11 five-year plan that is going to detail how this board
12 intends to spend the money. Once the five-year plan is in
13 place, you know, as broadly defined or narrowly defined as
14 the Board directs, then we would expect that the
15 Administration, meaning the Governor's office, as well as
16 the Legislature, would work together to grant that
17 authority as quickly as possible, so that then the Board
18 can have the needed resources, which, you know, currently
19 right now Mark has redirected a considerable amount to be
20 working on this without any additional resources or
21 support.

22 BOARD MEMBER ROBERTI: In our current
23 authorization from the Legislature in the current budget
24 year, is there a category for expenditure that we could
25 attribute to board operations?

1 CHIEF DEPUTY DIRECTOR FISH: Yes. That's what's
2 known as State operations. Our budget is categorized into
3 two spending plans, if you will. One is State operations,
4 which would include all of the salaries to pay the State
5 employees, all of the board managed cleanup contracts. So
6 the contracts that we do for the extensive cleanup, that
7 all comes out of State operations.

8 The other category is what is called local
9 assistance. And that is what you would have authority to
10 grant to locals to do their enforcement programs, to do
11 their -- so it's a grant type of a situation.

12 BOARD MEMBER ROBERTI: And I take it that is
13 roughly the same division, not only the tire fund, but the
14 various other funds that the Board operates?

15 CHIEF DEPUTY DIRECTOR FISH: Exactly.

16 BOARD MEMBER ROBERTI: Do we have any internal
17 limitations ourselves as to where we can seek money for
18 penalties, to wit, I'm thinking like what we discussed in
19 the past not taking somebody's house? Do we have any
20 other limitations or did we even vote that limitation?

21 CHIEF DEPUTY DIRECTOR FISH: No, that was
22 relative to your RMDZ loan program, where you determine
23 that you would not take a house as collateral.

24 If the Board were to determine that some of the
25 tire funds now needed to be allocated into a loan program

1 as they've done in the past, then the Board would want to
2 look at the same possible criteria for how they establish
3 credit worthiness or ensure that loan amount.

4 BOARD MEMBER ROBERTI: But right now our loan
5 program is exclusively a local government assistance
6 program, am I right?

7 CHIEF DEPUTY DIRECTOR FISH: The loan program you
8 have right now, you have authority actually in three
9 funds. You have it in your 2136 Fund, your RMDZ Fund as
10 well as your Tire Fund. But right now the Board hasn't
11 allocated tire funds in the past year or two to be used
12 for loans.

13 BOARD MEMBER ROBERTI: We do have a history of
14 tire loans over and above local government assistance?

15 CHIEF DEPUTY DIRECTOR FISH: Yes.

16 BOARD MEMBER ROBERTI: Okay. Thank you.

17 BOARD MEMBER PAPARIAN: We haven't gotten to that
18 yet, but isn't there a proposal in here to have a couple
19 million dollars in transfer for loans to RMDZ?

20 DEPUTY DIRECTOR LEARY: Yes.

21 BOARD MEMBER EATON: Just to follow up, we did
22 submit this year, however, a budget change proposal, did
23 we not, as it affected the tire fund? This is getting at
24 Senator Roberti's questions, did we not?

25 CHIEF DEPUTY DIRECTOR FISH: Budget change

1 proposals are confidential, until they're unveiled in the
2 Governor's budget.

3 BOARD MEMBER EATON: Thanks. But we did submit a
4 budget change proposal did we not?

5 (Laughter.)

6 CHIEF DEPUTY DIRECTOR FISH: Yes, Danny, we did.

7 BOARD MEMBER EATON: And that was not -- so in
8 other words, the Legislature has not spoken as to whether
9 or not we can spend additional money this year, rather
10 that was derailed through some other means.

11 CHIEF DEPUTY DIRECTOR FISH: And that was a
12 statement or a question?

13 (Laughter.)

14 BOARD MEMBER EATON: Both.

15 CHIEF DEPUTY DIRECTOR FISH: Yes, we did submit a
16 budget change proposal that was not -- it's not included
17 in the Governor's spending plan. The Legislature now
18 begins their process of reviewing the Governor's spending
19 plan.

20 However, what the Department of Finance did say
21 was that they were looking for the five-year plan to
22 determine it, and so there are some other avenues
23 including Finance letters as well as May Revise to include
24 our appropriation authority.

25 BOARD MEMBER EATON: Is that a statement or a

1 question?

2 (Laughter.)

3 CHIEF DEPUTY DIRECTOR FISH: That was a
4 statement.

5 BOARD MEMBER EATON: All right. So in other
6 words, what basically happens is we put it forward and I
7 don't think it ever got to the Governor's office, quite
8 frankly, because I think it's an important issue. And
9 what happened is that they just summarily denied us to go
10 forward and seek the legislative authority by which to get
11 some of these resources in through the last half of this
12 fiscal year, which is why the fiscal year is why they gave
13 us a six-month startup. That is a statement.

14 DEPUTY DIRECTOR LEARY: I'd like to suggest maybe
15 this is a good time for a break. We're right on schedule.
16 We have very limited rest room facilities, so I ask you
17 also to sign-up on your way out or on your way back in.
18 Let's go ahead and break till -- I know there's no clocks
19 in the room. My watch says about ten to 11:00. Let's
20 break till about ten after, at which point we'll start the
21 research element of the program.

22 (Thereupon a brief recess was taken.)

23 DEPUTY DIRECTOR LEARY: Let's go ahead and get
24 under way here, the point in time has arrived.

25 BOARD MEMBER PAPARIAN: Let's talk about ex parte

1 requirements, because of what's coming before the Board,
2 so I wanted to --

3 CHAIRPERSON MOULTON-PATTERNSON: I didn't think
4 we needed to at workshops. Mr. Eaton, is that correct, as
5 past Chair, do you know?

6 DEPUTY DIRECTOR LEARY: We're not making a
7 decision.

8 BOARD MEMBER PAPARIAN: We will be based on --

9 BOARD MEMBER EATON: If you had conversations
10 outside this room in a public workshop, I would suspect
11 you ought to report them. But in this setting, I don't
12 believe we have to report them, do we, Counselor?

13 CHIEF COUNSEL TOBIAS: The reason to report ex
14 parte communications would be prior to an item coming up
15 on a roll call vote, so you would not necessarily need to
16 report them today, but you would need to report them prior
17 to this item coming up.

18 So if it facilitates it by getting it on the
19 record today, since you have a court reporter, and that
20 would be on the record, and that gets rid of it, you could
21 certainly do that, but you're not required to today.

22 BOARD MEMBER PAPARIAN: All right. Well, let me
23 just do that so I don't have to do it other wise. I had a
24 conversation with John Serumgard of the Rubber
25 Manufacturers Association during the break about various

1 issues involving tires.

2 CHAIRPERSON MOULTON-PATTERNSON: Thank you.

3 DEPUTY DIRECTOR LEARY: Okay.

4 CHIEF COUNSEL TOBIAS: I was getting one question
5 here, excuse me. Sorry, Mark. You don't need the ex
6 parte people who are here testifying at the workshop, so
7 that's all on the record. It's only if you're talking to
8 somebody off the record and you want to ex parte it. I
9 wasn't sure that was --

10 BOARD MEMBER PAPARIAN: If someone testified and
11 then I have a subsequent conversation with them?

12 CHIEF COUNSEL TOBIAS: If you have a subsequent
13 conversation with them, you would need to ex parte that at
14 this point.

15 DEPUTY DIRECTOR LEARY: Okay. Just as a house
16 keeping note, there is a full complement of rest rooms in
17 8810, the other end of the parking lot.

18 (Laughter.)

19 DEPUTY DIRECTOR LEARY: I'm trying to be
20 considerate of people's needs, you know. We'll go to
21 program element number three, which concerns research.

22 Martha.

23 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:
24 All right. Once again, we have laid out the state of the
25 program with a brief discussion of some of the projects

1 the Board has funded in the past, where we've identified
2 technologies and efforts, and then go on to describe some
3 of the direction we've provided in the plan, which starts
4 on page 16.

5 There are several elements that have been listed
6 under SB 876. There's, for instance, increasing the
7 recycled content in new tires is one of the programs
8 discussed. Various energy and recovery research projects
9 that are mentioned. Some of the more esoteric
10 devulcanization projects, we have civil engineering uses
11 for tires listed, attempts to increase the tire life span.
12 These were -- several of them are actually mentioned in SB
13 876. Some of them are continuations of programs the Board
14 has tried to carry out before.

15 If anyone here has any comments on any of these
16 or wants to add something that we've overlooked, we'll
17 take speaker slips.

18 DEPUTY DIRECTOR LEARY: It appears we have a
19 couple of slips on marketing. George, you're listed for
20 all five elements. Folks like Mr. Winters or Mr.
21 Serumgard or Mr. Nicholson care to address the research
22 element?

23 Go ahead, George.

24 MR. LARSON: Thank you. I just have a brief
25 comment, because I think the substance of my comments I'd

1 like to bring up in the market development. But I would
2 like to first say I'm representing SmartTech Technology,
3 which is a pyrolysis technology that converts tires into
4 polyolephins that can be developed into other -- a full
5 array of materials.

6 And as was noted by Mark at the beginning, I'm
7 not here advocating this particular technology here by
8 this company, but the technology of pyrolysis, I believe,
9 has really been given kind of short shrift in here. And
10 we'll see that, as we review the budgets, that there is
11 some research during the first year, if I'm in the right
12 section, that may or may not be funded in any subsequent
13 years.

14 And, basically, I'm as aware as anybody in this
15 room of the difficulties surrounding the issue of
16 pyrolysis, but I'm concerned that we are taking a sort of
17 summary execution approach here that it didn't work
18 before, therefore it can't in the future.

19 And I think all versions, forms of technological
20 developments are marked with, if you will, stumbles and
21 falls along the way. I believe when we do get to a point
22 where I can advocate on behalf of this particular company,
23 it will be demonstrated that it has the potential for
24 economic sustainability.

25 So I'll only make the point here that I'd like to

1 see pyrolysis reexamined in the research section and then
2 I'll make my further comments in the market development
3 section later.

4 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:
5 Point of clarification. When you say re-examine our
6 proposal here was to do a study on what has changed since
7 the last study. That one had focused on the economics.
8 And I believe we were intending largely to focus on the
9 economics once again. Do you have any suggestions on how
10 to enhance that?

11 MR. LARSON: Well, my first suggestion is that we
12 take the pro forma from the proposal at the appropriate
13 time when we can talk about individual company's
14 technologies and then discuss existing corporate partners
15 out there who I'm not at liberty to disclose at this
16 meeting who would participate in addition to the
17 technology -- the proprietary holder of the technology.
18 And I would like to see us go beyond research.

19 We've researched and we can do more research, and
20 I think there's a value to that, but I'd like to advocate
21 and I think I'd like to try to demonstrate that some of
22 the funds available under 876 along with co-funding from
23 other sources are appropriate now to examine future
24 funding out of this program for the development of any
25 technology that can demonstrate to the satisfaction of the

1 Board that has a chance of operating successfully.

2 And, you know, the Board's been involved in lots
3 of arenas, like the plastics arena, and I think there's
4 been substantial progress made in that arena and this is
5 just another area that I think it's time to not just
6 relegate it to, let's do a study and then move on because
7 we didn't like pyrolysis last time either.

8 BOARD MEMBER JONES: Is there a -- I'm sure
9 you're not the only one sitting in the audience with some
10 new technology. And we know that there's proprietary
11 information that's obviously the reason that those secrets
12 aren't given out is because of market gain and what gives
13 them the step up. But I think that this board needs to
14 have some mechanism available, policy mechanism, we're not
15 scientists. And when pyrolysis came along many years ago,
16 everybody thought it was going to be the end all for tire
17 problems, and we ended up with a lot of tire piles. And
18 this black gold that everybody saw they were a little bit
19 amazed that it was actually going to cost money to run
20 through that process.

21 I want to throw this out for others that may have
22 the like concerns or want to promote that technology.
23 Does it make sense for us to set up some type of a peer
24 review with the National Academy of Sciences or someone
25 that could keep that information confidential, but yet run

1 it through some kind of a peer review, so that we don't
2 throw money into black boxes as opposed to trying to give
3 some impetus to new technologies that may end up
4 ultimately being part of the solution?

5 But I'm afraid that people -- you know, I have
6 people that call all the time. And I had somebody in my
7 office one day and we were talking about this different
8 technology, and I asked three questions, one of which he
9 knew the answer to and the others he didn't think were
10 very important, and maybe they weren't, but it would seem
11 to me that we've got to come up with something, so that
12 this board, if we're going to allocate grant dollars, has
13 a third party that can say this has some potential for
14 success without divulging that proprietary information.
15 Does that make some kind of sense to anybody?

16 You know, I mean maybe it needs -- I don't know
17 if the National -- I mean, Mr. Serumgard is in the
18 audience. I don't know if the National Academy of
19 Sciences is the right place. I throw that out as somebody
20 that -- I mean, as an organization that obviously has an
21 awful lot of expertise in different types of scientific
22 engineering. But maybe somebody can give us a little help
23 with that, because I just am scared to death that we're
24 going to have people looking at the size of this potential
25 budget and think that it is the new funding mechanism for

1 more black boxes without. And I don't think this board,
2 as policy makers, wants to be in a position without a
3 little more science to back some of that stuff.

4 MR. LARSON: On behalf of my client, I'd
5 certainly welcome scientific peer review of our
6 technology. And to the issue of proprietary information,
7 we held public demonstrations at UC Davis on two days,
8 morning and evening -- morning and afternoon sessions to
9 invite everyone from either the investment community or
10 the technical and scientific community to come in and
11 observe and see it work first hand.

12 And out of that, there has been some interest
13 expressed in financial support. However, we're looking
14 for all avenues of financial support. The only area of
15 proprietary concern hasn't really arisen as a problem yet,
16 but we're early in the stage. But, you know, I'm seeing
17 this, myself, having witnessed the black boxes that
18 there's a different set of circumstances that exist today,
19 some having to do with the cost of energy around the world
20 that changes the economics of some of these processes, the
21 advancements of -- technological advancements on the
22 processes itself, and then add in the critical component
23 of potential funding out of SB 876.

24 And I think we go over the hill, if you will, or
25 over the hump on being able to put up something seeking

1 capitalization and then having to demonstrate with a pro
2 forma, which I have available for the Board to see that it
3 will work.

4 I just don't want it to be summarily excluded
5 because of failures in the past. I think it's something
6 that is going to succeed eventually.

7 Thank you.

8 BOARD MEMBER PAPARIAN: I want to respond to Mr.
9 Jones a little bit. I had a couple of thoughts as you
10 were mentioning some of your ideas. One would be, I think
11 it might be worth exploring some sort of partnership with
12 the University of California. I think they may have some
13 expertise down in Riverside, if I'm not mistaken right now
14 in some of these areas. But in any event, perhaps we
15 could look at the University of California to help in
16 evaluating some of these items and perhaps even conducting
17 some of the research that we're looking at, so that we
18 have some in-state expertise to assist in these areas.

19 The other thought I had was I know that other
20 states, and maybe there's some in the audience that know
21 more about this than I do, that I believe other states
22 have some programs similar to our program, where they
23 collect fee and they spend it on various things that are
24 including research.

25 It seems that it would be appropriate to

1 coordinate with some of the other states in some of these
2 areas, so we're all not, you know, independently going and
3 funding the same sorts of things, but perhaps if we pooled
4 our resources we might get a lot better bang for the buck
5 and not duplicate each other's efforts.

6 CHAIRPERSON MOULTON-PATTERNSON: Thank you, Mr.
7 Paparian. I would certainly agree with you because
8 there's a lot, you know, I need to know about this and the
9 history of it. I understand they're doing a lot in
10 Florida. So I know we might look into that.

11 DEPUTY DIRECTOR LEARY: Once again, my name is
12 John Serumgard. I'm with the Scrap Tire Management
13 Council. To be perfectly clear, our funding comes from
14 the new tire manufacturers, so obviously we have a vested
15 interest in this.

16 With respect to the issue of pyrolysis, I think
17 the issue has not been whether or not you can pyrolyze
18 tires. You can pyrolyze tires. You can do it a jillion
19 different ways with all kinds of pixie dust and new
20 technologies.

21 The sole issue gets back to the question that was
22 raised by Martha and that is the economics. What, in
23 fact, do you do with the by-products that you generate
24 from the pyrolysis process, and are they of a quality
25 necessary to be utilized in the marketplace as materials

1 for whatever, whether it's carbonaceous material that you
2 want to put back into new rubber products, whether it's a
3 liquid fraction that you wish to refine into oil, whether
4 it's the gaseous fraction that you wish to use to run the
5 process or do something else with, and fuel, sterling
6 cycle engines to help third-world farmers get better
7 irrigation. It isn't the pyrolysis process itself. It's
8 what do you do with the materials at the end of the
9 process.

10 With respect to increasing recycled content in
11 new tires, while that is an important issue and is being
12 worked on, I can only, and I really hate to bring it up,
13 but we can only look at the material problems that
14 resulted in the substantial recall, of a shall not be
15 named by me, tire to indicate to you the very, very
16 difficult problem that tire manufacturers face in terms of
17 materials generally.

18 Recycled content so far has been proven at five
19 percent and maybe ten percent levels, but much beyond that
20 is exceedingly problematic.

21 Yes, there can be any number of new technologies
22 that come along. There are any number of black boxes out
23 there. There are any number of efforts that can go
24 forward. Devulcanization technology is an interesting
25 one. You've already expended board funding to fund

1 ultrasonic devulcanization research efforts. There are a
2 number of other technologies out there.

3 So far the jury seems to be out in terms of
4 whether or not they're producing much in the way of
5 reusable. Our own companies have been involved in this.
6 About 18 months Good Year announced that they received a
7 patent on devulcanization technology. And, indeed, they
8 did. And, indeed, it works. Right now it works on pieces
9 of rubber the size of pencil erasers. And whether or not
10 it's ever going to be able to be scaled up to tires is
11 something that they're still working on.

12 BOARD MEMBER ROBERTI: Madam Chair?

13 CHAIRPERSON MOULTON-PATTERNSON: Yes, Senator
14 Roberti.

15 BOARD MEMBER ROBERTI: I don't believe that, you
16 know, you can turn the Pacific Ocean into Lemonade, but
17 it's impossible for me to believe that you cannot
18 devulcanize tires. I mean, it just doesn't strike me that
19 this -- I mean the way you speak, with all due respect,
20 it's like this is the hardest science and, you know, we
21 may get beyond the eraser point. I mean, really, I don't
22 think anyone believes that.

23 MR. SERUMGARD: Well, sir, can you make new
24 cucumbers out of old pickles? Can you make new flour out
25 of old bread? I mean, that's the process that occurs in

1 devulcanization -- in vulcanization is a chemical and
2 physical properties that change the nature of the
3 material.

4 BOARD MEMBER ROBERTI: Well, I tend to think that
5 once you get the wire out, which is a technical problem,
6 and a problem I grant you, I do think that there are many
7 things you can do. And I think I have read the
8 possibility of some studies where vulcanization has taken
9 place. And as you even admit on something the size of an
10 eraser top, which I think you're probably exaggerating a
11 little bit, --

12 MR. SERUMGARD: No, I'm not. It's legally true.

13 BOARD MEMBER ROBERTI: Well, that indicates that
14 it can happen, so now we're at the quantitative stage
15 rather than the qualitative stage.

16 MR. SERUMGARD: No, we're not. If I may
17 interject here, sir.

18 BOARD MEMBER ROBERTI: Please.

19 MR. SERUMGARD: One of the things that I think
20 you fail to understand is that the tires are not a
21 homogeneous material. Tires are made of as many as five
22 different rubbers and as many as 13 different compounds of
23 various materials. So what you see as black ground rubber
24 is, in fact, a composite material.

25 BOARD MEMBER ROBERTI: Why is it -- I would be

1 interested to know why is it of various compounds, is that
2 because of safety, is that because of durability, is
3 that -- what's the reason for it?

4 MR. SERUMGARD: The reason for that is various
5 parts of the tire perform different functions. For
6 example, the bead toe of the tire needs to be very hard so
7 it does not leak air. The inner-liner of the tire needs
8 to be impermeable or as impermeable as possible to air.
9 The sidewalls need to flex a lot. The side wall wedge
10 needs to be stiff. The tread needs to wear and needs to
11 have certain riding characteristics.

12 All of these have been the function over the
13 years of identifying the best materials for that
14 particular application. For example, certain rubbers must
15 adhere to that steel in order for the steel to work. The
16 properties that make that rubber adhere to steel don't
17 necessarily make that rubber a good tread rubber or don't
18 make that rubber a good sidewall rubber.

19 As a consequence, we build tires from a wide
20 variety of different types of rubbers to meet very
21 specific requirements in that tire to provide you the
22 40,000, 60,000, 80,000, 100,000 miles that you expect out
23 of those tires, and dare I say it, with minimal care and
24 attention.

25 I don't mind offending the modern tire as being,

1 not withstanding the Firestone recall, as being the
2 product that has been continually improved, continually
3 upgraded, provided longer life service and is with ever
4 more minimal care on the part of the motoring public. I
5 can defend the tire all day.

6 What I'm suggesting to you is to suggest, we can
7 devulcanize that rubber. We can. The question is can we
8 do it economically?

9 Secondly, what are the uses for that material
10 once we devulcanize it? It certainly is not going back in
11 large quantities as a devulcanized material into a new
12 tire manufacturer. If we are as precise with the types of
13 rubbers that we now generate and the compounding that we
14 now have for tires, we're not going to take a
15 non-heterogeneous mass of devlucanized rubber and throw it
16 into tires and expect those tires to survive to 40,000,
17 60,000 or 80,000.

18 BOARD MEMBER ROBERTI: Well, there are other
19 things you obviously can do with it. Devulcanization
20 doesn't necessarily mean to put it back in the tires,
21 which gets us into another point and that is the reuse of
22 tires for retreading and things of this nature, which I
23 don't think we have spent too much of our own resources
24 on --

25 MR. SERUMGARD: You did, in fact, make a grant

1 specifically for that in an earlier --

2 BOARD MEMBER ROBERTI: I said too much of our
3 resources. Madam Chair, there are so many major things
4 that I think we can do in order to reduce tires as part of
5 the alternatives, and I probably would like -- at some
6 point, maybe we should extend this into just the
7 physiology of reuse. I'm talking about maybe we should
8 have one day where we discuss what is the current science
9 on retreading.

10 I spoke to some officials of the German consulate
11 in Los Angeles. And it was just -- we weren't
12 specifically discussing anything about the Waste Board,
13 but they were just talking in general about in Germany
14 they do an awful lot more retreading than we do. Now,
15 they even admit that the cost of tires has gone down to an
16 extent where it's not quite as practical as it was.

17 But they were just being sort of incredulous as
18 to why we, in the United States, and California
19 specifically, don't do what they do and that is retread an
20 awful lot more tires. And you can't pick out a country
21 that has more concern about auto performance than Germans.

22 And so I just refer you to the German consulate
23 in Los Angeles, because I'm sure they can refer you to
24 somebody who will give you more information than you ever
25 care to know. So, one, is retreading.

1 Two, I would like to know not only from the
2 industry, and that's important, but from physicists as
3 well, as to what the status of vulcanization is, how far
4 we are as far as the physiology and the chemistry of all
5 this, and so we can get an idea of what our possibilities
6 are. I don't want to totally rely only on the industry,
7 which is where in the past it seems we've been, and the
8 industry, obviously having done a lot of research in this
9 area is important. But there may be and must be certainly
10 others out there who have information in this area as
11 well.

12 And the third thing to show that I'm not riveted
13 to anyone ideological point of view, but because of the
14 enormous energy crisis that we have right now, I'd like to
15 know if we, for purposes of argument only, not saying I'm
16 advocating this, but for purposes of argument only, if we
17 burned all the tires that we currently landfill, I think
18 it's like 12 million or something like that a year, how
19 much energy would we get?

20 And maybe it's something to offer, maybe, maybe.
21 And I know this is fraught with environmental problems
22 maybe, maybe. I'm not sure even about that. I would like
23 to know. But certainly it is something that we, being the
24 source of information and expertise in this area, should
25 offer as part of the argument right now as far as the

1 energy crisis is concerned, just to offer it for purposes
2 of debate.

3 I understand milk is in the process of being
4 refinanced. I think that's a good thing. But I think all
5 this information would be important, so maybe we should
6 have something as far as the status of some of these major
7 alternative issues, certainly, as far as the chemistry and
8 the physiology and the economics and the volume of it all.

9 MR. SERUMGARD: Well, speaking --

10 CHAIRPERSON MOULTON-PATTERNSON: Just a moment
11 please.

12 Senator Roberti, I certainly agree with you. And
13 I think, you know, the sooner the better in light of
14 what's happening. Could we possibly schedule something
15 like this, Mr. Leary?

16 DEPUTY DIRECTOR LEARY: I think we could probably
17 do the calculations. I guess, my clarifying question
18 would be, how would that calculation affect how we shape
19 the development of this five-year plan and the use of the
20 \$30 million a year resources? Are you suggesting that we
21 need to --

22 BOARD MEMBER ROBERTI: Don't know until we hear
23 what the size of it is and if we want to do it. But I
24 certainly think it's hard to make a final decision if we
25 don't have that in front of us.

1 DEPUTY DIRECTOR LEARY: Well, let me make sure I
2 understand. Your suggestion then, in terms of the energy
3 crisis kind of question, you're interested in knowing how
4 much energy. I imagine, we can answer that question in
5 terms of megawatts.

6 BOARD MEMBER ROBERTI: Yeah. I mean, let me give
7 you an extreme, which I know isn't the case. If we burned
8 all the tires that we generate instead -- that we not
9 generate, that we landfill. If that solves our energy
10 crisis, and I know it doesn't, if it solved our energy
11 crisis, it might be worth the adverse effect, which I
12 think everybody agrees may be there.

13 Now, I know that's not the case. I'm just saying
14 we're trying to make a qualitative, quantitative balance
15 here.

16 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART: A
17 very rough quantitative estimate would be the melt
18 facility burns six million tires a year and generated 14
19 megawatts. So that the 12 million tires a year should be
20 roughly double that or 28 megawatts, which is the size of,
21 you know, a small power plant. I think that the
22 translation is something like 28,000 homes, or 1,000 homes
23 per megawatt. So a small community of 28,000 homes could
24 be powered by the tires we're landfilling now. We can
25 refine that if you're interested later.

1 DEPUTY DIRECTOR LEARY: Senator, I think you're
2 familiar with the Stockton Coal Cogen plant, having toured
3 it fairly recently. That generates 60 megawatts of power
4 per year. We're talking about approximately half that.

5 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:
6 They're using roughly ten percent tires though as their
7 fuel input, so it's something like --

8 BOARD MEMBER ROBERTI: Martha, are you including
9 cogeneration in your statistics?

10 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:
11 No, that was just if we built two more MELPs to use that
12 12 million.

13 BOARD MEMBER ROBERTI: Okay. I think we do an
14 awful lot more in the area of cogeneration than we do in
15 the area of a MELP kind of situation. So I'd like to know
16 what the extrapolation would be for us as far as
17 cogeneration is concerned as well?

18 DEPUTY DIRECTOR LEARY: Would it be useful if we
19 came back in February with a separate item addressing the
20 energy potential of waste tires in the State, a separate
21 item separate from the five-year plan?

22 BOARD MEMBER ROBERTI: It would be -- yeah, that
23 would be -- it probably is a separate, because, I mean, my
24 preferences have never been to burn all the tires. But if
25 it's significant enough, especially with cogeneration, it

1 is something certainly that we shouldn't preclude from
2 considering.

3 We've got to discuss it, because there are
4 environmental hazards if we become excessively dependent
5 upon utilities and electricity generators, every bit as
6 much as there is in burning tires. I'm just thinking
7 outloud, but it certainly should be part of our
8 discussion.

9 But I also would like something coming back to us
10 in anyway that the Board would see fit on vulcanization.

11 DEPUTY DIRECTOR LEARY: Well, as a separate
12 matter, is it correct to interpret your comments to be
13 somewhat supportive of the approach we've taken in this
14 document. And as you'll note on page 17, the first thing
15 out of the blocks, in terms of devulcanization, is a
16 report developed as part of this five-year plan. The
17 first thing we would do, with the Board's concurrence,
18 would be to come back to the Board with a report on
19 devulcanization technology summarizing what's happened in
20 the past and projecting --

21 BOARD MEMBER ROBERTI: That's excellent. Yes.
22 And then what about retreading, what are we doing on that?

23 DEPUTY DIRECTOR LEARY: On the report on
24 devulcanization, I wonder if we could include that to
25 include any information we might have internationally,

1 what they may be doing in other countries. Germany is an
2 example.

3 DEPUTY DIRECTOR LEARY: Absolutely.

4 CHAIRPERSON MOULTON-PATTERNSON: Mark, just a
5 moment. And, sir, I apologize. We'll get right back to
6 you in just a moment. I know Steve wants to say something
7 and also Mike wanted to comment. But just from my point
8 of view, I really support this, you know, because of the
9 timeliness.

10 Just man-on-the-street type example. Yesterday,
11 I went to the doctor, the receptionist asked me, well
12 can't you do something with those tires for this energy
13 crisis? So, you know, this is stuff we need to know.

14 So thank you for your indulgence and Mr. Jones
15 and then Mr. Paparian.

16 BOARD MEMBER JONES: Actually, I think it got
17 answered, because I didn't want to see the five-year plan
18 held up. But I think if we include it in a discussion
19 that these are areas, and we make a -- talk about that
20 energy component, if you will, and that we're going to do
21 more work in trying to figure out the feasibility of
22 certain applications, then we'd have enough breadth within
23 this five-year plan that we can do an awful lot of things,
24 and then fine tune it the next time around if we had to,
25 but that would get the process going the way that you're

1 asking.

2 But I do think, and I'll do this real quickly,
3 some of the devulcanization things that you're bringing
4 up, I understand. I've seen some of the same types of
5 issues come forward. I think, though, in talking, not
6 only to Mr. Serumgard, but with some of the people down
7 in, I think we were in, Arizona to some folks that were
8 working that stuff, there are an awful lot of issues other
9 than just a couple of issues that have been brought up
10 today that we probably need to do a lot more work on.

11 We've got one person, I know, that does it on a
12 bench and makes the math extrapolation that if you can do
13 it here, you should be able to do it a thousand times
14 fold. And that's scary when we start taking those kinds
15 of stretches.

16 And I wouldn't, you know -- but I think to
17 include it gives us the ability to explore it. And if
18 that gets you where you need to be, then I have no problem
19 with doing that, if that's reasonable.

20 CHAIRPERSON MOULTON-PATTERNSON: Mike.

21 BOARD MEMBER PAPARIAN: Obviously, there's a lot
22 of interest in the research and development end of this.
23 I think that's great.

24 The increase in tire lifespan, I think it's
25 \$200,000 in the first year and that was it. And that

1 would be one area where if the potential is there, I'd
2 like to see some additional funding in additional years.

3 BOARD MEMBER ROBERTI: I agree.

4 DEPUTY DIRECTOR LEARY: John, do you have some
5 thoughts on this area of effort for the Board?

6 MR. SERUMGARD: Two items. One is we would
7 certainly work with you on the retreading issue. At the
8 present time in the United States, we retread about 28
9 million tires a year. Those are all for the -- not all,
10 for the most part, they are medium truck tires, which are
11 tires on 18-wheelers, aircraft tires, off-road tires. And
12 increasingly, there are light truck tires used on
13 essentially inner-city delivery type vehicles, FedEx
14 vehicles and that sort of thing.

15 You're absolutely right, that there used to be a
16 substantial retread market in passenger tires. There is a
17 larger retread market in Europe. That is a declining
18 market, principally for the same reason that it's a
19 declining market here, that is competition from low-cost
20 tires principally from the far east, but also from eastern
21 Europe.

22 So retreads are an issue in Europe in terms of
23 the declining retreading of passenger tires. Retreads are
24 an issue in the United States in an attempt to increase
25 the market uptake of light trucks and medium trucks.

1 Governmental agencies can be a significant factor in that,
2 just by revising their procurement policies to procure a
3 larger number of retreaded tires themselves.

4 In terms of going out and trying to recreate a
5 passenger tire industry, a passenger retread industry, I'm
6 sure we can look at that. Understand that, in my view of
7 the world, a retread of a casing isn't a scrapped tire. A
8 retreadable casing is a tire that can still be used for
9 its original intended purposes, just as a used tire is.

10 And our best estimate is that something on the
11 order of 97 percent of all medium truck casings that are
12 capable of being retread are being retreaded. Our actual
13 uptake in terms of the replacement market has more
14 retreads generated annually in the medium truck market
15 than new replacement tires. So retreading is a strong
16 viable industry where it makes economic sense.

17 With respect to increasing tire lifespan, you
18 know, we can -- this, too, gets to be, in many ways, an
19 economics issue. We have tires in the marketplace today
20 that have warranties with 100,000 mile lifespan. We have
21 lots of tires with warranties at 80,000 miles and 60,000
22 mile lifespans.

23 At the same time we also have manufacturers who
24 manufacture tires that they can sell four for \$99. These
25 are tires that probably have lifespans of 20,000 or 25,000

1 miles.

2 But it becomes an economic decision by the
3 independent actors who are the purchasers of tires to go
4 out and make a decision that they're only going to keep
5 this vehicle for another two years. They drive it about
6 8,000 miles a year. A 20,000 mile tire is a perfectly
7 sound investment to put on that tire. So I need to spend
8 more than \$99 to put four new tires on this vehicle.
9 Where if I put a 100,000 mile tire on it, it might cost me
10 three times that.

11 So there are tires manufactured at every price
12 point out there at virtually every mileage point out
13 there. And while we can certainly look at things that
14 make tires wear long, we also have to understand in doing
15 so that there are a lot of tradeoffs in tires.

16 You can make a tire that will last 300,000 miles.
17 The problem is you can't stop it between here and Barstow.
18 It just would be too hard to stop. Tires have to stop.
19 They have to give you a good ride. I can bring tire
20 engineers in to give you a full lesson on how we design
21 and make tires. Tire longevity is but one of several
22 kinds of trade offs that come in.

23 You want them quieter. That may be a tradeoff
24 with long life. You want them so that they stop in wet
25 weather. That may be a tradeoff with longer life. So

1 there are tires with a series of compromises with a whole
2 series of inputs from various people who use the tires.

3 We're certainly interested in increasing tire
4 lifespan, but we're also interested in providing tires
5 that people want to buy. So we'll be happy to work with
6 you on any and all of these.

7 Thank you very much.

8 CHAIRPERSON MOULTON-PATTERNSON: Thank you. And
9 I apologize for the interruptions.

10 DEPUTY DIRECTOR LEARY: We have a couple more
11 speaker slips.

12 Mr. Barry Takallou.

13 BOARD MEMBER ROBERTI: Since we're on the whole
14 energy issue, my own preference is that the portion of the
15 report that deals with cement kilns be just tied in
16 generally with the whole energy question. I don't know
17 why we single that out as opposed to some of these other
18 things, which actually are even more important.

19 It would give the perception that the Board is
20 pushing cement kiln burning, when it's just one of many,
21 many kinds of things we're concerned about as far as the
22 energy. And so I don't think it should be highlighted,
23 certainly not more than devulcanization and retreading and
24 all the other kinds of things we've talked about.

25 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

1 Excuse me, point of clarification. I believe we've
2 mentioned both the support for the coal cogeneration
3 industry and their possible use of tires as a supplement
4 as well as the cement kilns, and we were keeping those
5 distinct. Are you wanting to see more --

6 BOARD MEMBER ROBERTI: The coal co?

7 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:
8 The coal fired cogeneration plants as opposed to wood or
9 other biomass fuels?

10 BOARD MEMBER ROBERTI: I would say that all
11 those -- all should be under the same grant.

12 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:
13 The coal, biomass and cement kilns you want to see?

14 BOARD MEMBER PAPARIAN: Let me put it another way
15 too. Cement kilns were a lightening rod in the
16 Legislature during the hearings on this. And I don't know
17 that it's best to draw attention to the issue of cement
18 kilns in the work in the report.

19 At the same time, my understanding from talking
20 to people from the cement kiln industry, I don't know -- I
21 don't see any of them here today, but my understanding is
22 they're not particularly looking for any additional State
23 support. And I think they said that during the
24 legislative process on this, that they're not really
25 looking for additional funds to fund research. They're

1 not looking for anything negative. They're not looking
2 for anything positive. They seem to be satisfied being
3 left on their own to handle things in their own way.

4 BOARD MEMBER JONES: I mean, I don't mind that we
5 just don't make a big deal about it, but we're not going
6 to eliminate it from the report, right?

7 BOARD MEMBER ROBERTI: No, I don't mean that.

8 BOARD MEMBER PAPARIAN: There certainly is a use.
9 There are tires being burned in cement kilns, some of
10 which are coming out of state, which is an annoyance to
11 me.

12 BOARD MEMBER JONES: Exactly.

13 BOARD MEMBER PAPARIAN: But I don't think that
14 the cement kiln industry is looking for funds from this
15 board.

16 BOARD MEMBER JONES: Right. I just don't want us
17 to be silent to it. I don't mind if we don't make a lot
18 of noise about it. I think I agree with both of you, but
19 not to eliminate it, because to eliminate it will give the
20 perception that it's not one of the end uses. When you
21 look at a supplemental use instead of coal that burns
22 three million tires a year, and drives NOx down, there's
23 an awful lot of battles that went on over the years.

24 And while I'm not -- I agree with you, as long as
25 we just don't eliminate it, it makes sense if we just --

1 if it's just a subheading or a small piece, you know, that
2 I agree they don't need our help, but I'm hoping that
3 there is potential.

4 CHAIRPERSON MOULTON-PATTERNSON: Mr. Medina.

5 BOARD MEMBER MEDINA: Yes. I had an opportunity
6 to visit a coal cogeneration plant that burned tires along
7 with the coal. And several times I asked them how much it
8 cost to produce one unit of energy as compared to how much
9 they sold it for. And all my attempts to get an answer on
10 that, they were not forthcoming, so I could tell, you
11 know, there was some subsidy that was going on at one end.

12 And also a number of the tires that were being
13 brought in from out of state, Utah specifically, that's
14 where the tires were coming from.

15 I would like to know how much does it cost, one
16 of those plants, coal cogeneration plants, that burn tires
17 to produce a unit of energy as compared to what they sell
18 it for.

19 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART: I
20 think we have some information we could estimate, at least
21 that first one. We definitely have to get the plants to
22 be a bit more forthcoming on that second side of the
23 equation. We can look into that.

24 MR. TAKALLOU: I'm Barry Takallou. I'm with CRM
25 company out of Los Angeles. We produce crum rubber. When

1 they recycle tires to get the crum rubber for rubber
2 molded products or rubber asphalt, about 30 percent of the
3 weight of the tire consists of the fiber and the steel,
4 which at this time there is no market for it.

5 We like to see, too, there is recently a study of
6 money that can be allocated to look into what can be done
7 with extracted fiber material from tires and the steel in
8 the process of tire recycling.

9 BOARD MEMBER PAPARIAN: I visited the -- I think
10 the same cogeneration facility that Mr. Medina visited,
11 and they had a huge bucket where they actually, out of the
12 bottom of their burner, collected the steel. And they
13 claimed that this was being sent off to a recycling
14 facility.

15 Is there something different that's happening
16 with the steel that you're -- are you not able to send
17 that steel to a recycling facility for some reason?

18 MR. TAKALLOU: It's not clean enough for the
19 scrap metal people.

20 BOARD MEMBER PAPARIAN: So you've got rubber
21 around the steel still as opposed to this place which is
22 burning off the rubber?

23 MR. TAKALLOU: Could be.

24 But the main problem is that the fiber -- the
25 fiber, as I understand, is a high quality fiber. And

1 nobody has looked into this. And there's about 30 percent
2 that this product now is going to be a landfill, looking
3 at this.

4 BOARD MEMBER MEDINA: The results are certainly a
5 range of the quality of the crum rubber. Some had
6 qualities of crum rubber and some had more of the steel
7 remaining in them than others.

8 DEPUTY DIRECTOR LEARY: Mr. Randy Roth.

9 MR. ROTH: For the benefit of -- I'm Randy Roth
10 with Lakin Tire in California. For the benefit of the
11 Board, I'd like to relate a sad, sad story of passenger
12 tire retreading and especially how it's affected
13 California.

14 And for my competitors if this sounds like a
15 public service announcement, please forgive me. But Lakin
16 Tires has been a recycling business for about 80 years as
17 a family. We did some 12 million tires last year hauling
18 them in California. As early as 1996, we sold one and a
19 half million passenger tires retreadable casings here in
20 California, or that were generated here in California.

21 In that same year, we probably sold an additional
22 one million from our plant in Connecticut. So in 1996, we
23 sold two and a half million units that were bound for the
24 retread industry, that were ended up retreaded and back on
25 cars.

1 A million of those units conservatively came from
2 the State of California. Last year, in the year 2000, we
3 sold 350,000 of those units of which 200,000 of them
4 probably came from California.

5 At one point in time in the history of our
6 company, we ran a retread plant and sold a lot of
7 retreads. Selling retreads and used tires is a big part
8 of our economic stream, our ability to pick up tires
9 economically and get them to where they need to be and
10 make money as a business.

11 Unfortunately, for a lot of the same reasons that
12 John talked about, it's just not economically viable now.
13 We sell in 26 countries. Our used tires need treadable
14 casings. We're constantly marketing our products in
15 Europe, the far east, Australia, Central America, South
16 America, everywhere we can go with those. It's a big part
17 of how we remain competitive as a businesses.

18 Unfortunately, even in Europe, today the two
19 largest retreaders, passenger tire retreaders, have both
20 gone out of business in the last 18 months and have really
21 followed the curve that we've seen in the United States.

22 And unfortunately, the tires that we are selling
23 into the retread market now are predominantly in Europe
24 and they are predominantly light truck sizes. Very few
25 passenger tires are going onto cars.

1 A lot of the reasons are economically driven and
2 a conception or a perception that somehow retreads aren't
3 safe. You see that piece of retreaded rubber flying off
4 of the truck in front of you on the highway, you worry
5 about that on your personal car.

6 I think one thing that a lot of people don't
7 understand is that every time you land on a plan, 90
8 percent of the time you're landing on a retreaded tire.
9 But that type of understanding, whereas it's still
10 something that the consuming public will put up with in
11 Europe to a small degree, the United States consumer
12 public won't. And now the economics, the price difference
13 between a retreaded tire and a new tire are so slim that
14 it's just right now unfortunately not an economically
15 viable situation.

16 We've, in the past, tried through our alliance
17 partner, Lakin General in Chicago, when we ran the
18 Achiever Mold and what was -- we were probably the third
19 largest retreader in the country, we tried to get states
20 all around the country to put them on their fleets and
21 tried to promote retreads. It's something that we would
22 wholeheartedly support again, on the Retread Information
23 Bureau, which is a group, an industry proponent, would be
24 here to help.

25 And it is something that I'm, Senator Roberti,

1 glad to hear you say. It's something we should look at.
2 I would love to look at again. It would be a big part of
3 our ability to continuously, successfully recycle tires in
4 California.

5 BOARD MEMBER ROBERTI: I take it that the
6 wholesale cost of rubber or whatever is just down? What's
7 the reason for the --

8 MR. ROTH: New tires are cheaper. The
9 manufacturers make them last longer. They produce them
10 cheaper.

11 BOARD MEMBER ROBERTI: It's mainly because of the
12 production of the tire.

13 MR. ROTH: Yeah. If you look at your cost per
14 mile to run a tire today, compared to what it was 20 years
15 ago, it's the biggest bargain in the country.

16 DEPUTY DIRECTOR LEARY: Do we have any other
17 speakers to this section? That concludes the list of
18 slips I have that -- go ahead, sir.

19 MR. QUANCE: My name is Murray Quance. I'm with
20 BAS Recycling. I just wanted to confirm a note relative
21 to the Pirreli discussion in your paper, just dawned on
22 me. We were grinding rubber for them in California, and
23 we're a supplier -- we're doing about 200,000 passenger
24 tire equivalents, so it wasn't a big number.

25 And unfortunately, as it states here, that plant

1 has just been shut down within the last two weeks. But I
2 would not give that up as a market for molded rubber goods
3 for my other competitors in the room. And that I still
4 think the ground rubber, the fine mesh 80 to 200 mesh, is
5 still a good product line, whether it's California or
6 anywhere else in the states or in some cases we export a
7 little bit now, too.

8 DEPUTY DIRECTOR LEARY: Any other comments
9 relative to the research element of our program?

10 Yes, sir.

11 MR. KORTE: I'm Mark Korte with Tri-C
12 Manufacturing. We manufacture tire shredding and
13 granulating equipment. We are a waste tire hauler and we
14 also process.

15 I heard some discussion up here as far as
16 potential increasing the amount of tires burnt for energy.
17 We, as a company, have committed ourselves to the actual
18 granulation of tires. And we feel the future is that
19 direction. From both the pollution standpoint and reuse
20 standpoint, we feel that anything that the Board, the
21 State can do for the granulation business whether it's
22 helping with the fiber or reselling of steel that's
23 probably more for, the long-term, at least in our opinion,
24 a better use of resources. Those are all my comments.

25 DEPUTY DIRECTOR LEARY: Thank you. Members of

1 the Board, I think we'll receive quite a number of
2 comments along these lines as we get into the next
3 element, the market development element, which we will, I
4 think, take up after lunch.

5 If there are no more comments, I'd respectfully
6 suggest that we break for lunch and maybe till about 1:30,
7 let's say. And I know we're losing some board members
8 over the lunch hour, but let's reconvene at 1:30, please,
9 and take up market development.

10 (Thereupon a lunch recess was taken.)

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 AFTERNOON SESSION

2 DEPUTY DIRECTOR LEARY: I'd like to try to get
3 under way here. I recognize that more business gets done
4 during breaks and lunch than ever happens during the
5 actual workshop, but I'd like to continue plowing along
6 here.

7 We've had a little bit of attrition among at
8 least one, if not more, of the Board Members and some of
9 our executive staff. And I'd like to pass on their
10 apologies. The Cal EPA Secretary is hosting a budget roll
11 out at the Capitol this afternoon where he's going to
12 describe all the boards, departments and offices budget
13 plans for the next year.

14 And so the Chair and our interim executive
15 director and our Chief Deputy, Karin Fish, have all left
16 to participate in that. But I know they wanted to be
17 here, ultimately there's going to be some conflicts.

18 I think more by accident than anything, we've
19 scheduled probably the most interesting discussion right
20 after lunch when we need interesting discussions to keep
21 us all going here. We're ready to move into program
22 element number 4, which is the market development aspect.
23 And I, again, ask if you haven't already done so, please
24 sign in on our sign-in sheet in the back of the room.
25 Please fill out a speaker slip if you'd like to speak and

1 we look forward to your comments on the last two elements
2 of our plan.

3 So I'll turn it over to Martha to kick it off.

4 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

5 Okay. With the market development element, you'll notice
6 that it probably has the longest list of possible projects
7 or ways of using the money. I think it's going to create
8 a rather complex discussion today, because there are going
9 to be so many ideas and people who support or oppose them.
10 You know, when we put this report together, we really were
11 trying to think what is possible. And now what we need to
12 look at is well, what's also probable, how much of this
13 can really -- can we bight off and chew.

14 So we'd like folks to look at the kinds of
15 projects we proposed here and comment on how they think
16 how feasible they are, and whether we've overlooked
17 anything. If you turn to page 19 of the report, where we
18 layout in our plan, one of the things we start off with is
19 another session of our tire recycling conference. We've
20 held three so far and they've been well attended and well
21 received.

22 And unfortunately, they seem to be getting
23 farther and farther apart. We're hoping now with this
24 regular funding that we may be able to get back on to our
25 biennial schedule. But one of the things we're really

1 hoping to do is to have these meetings where we bring
2 people together, where they share information, where they
3 can communicate with the State, to tell us what we're
4 doing right and what we're doing wrong.

5 Another thing we want to try and promote more of
6 is the idea of source reduction. And those can be done
7 through various kinds of public education efforts. For
8 instance, the tire brochure we were mentioning earlier
9 that it had been developed as part of the State Amnesty
10 Day Grant. That the State itself has been trying to
11 provide materials to local governments so that citizens
12 and consumers know how to properly manage tires, perhaps
13 even go through public service announcements.

14 We would like to try and work within the State
15 system. The Department of General Services is the agency
16 that purchases materials for use by other State
17 departments and see if they can more fully support the use
18 of retread tires, whether they're truck or passenger, that
19 might have to be determined.

20 We have a whole listing here of recycling uses
21 that we would like to put monies to. We've had one
22 project in the past with civil engineering use of tire
23 shreds on a highway -- well, that's not really in the
24 past, it's ongoing. We've also done a levee project and a
25 leach field project. All of these are examples of civil

1 engineering uses that we would like to promote.

2 We've got playground cover, that's been one of
3 our more popular programs. We've done several for four
4 years, I think, four cycles, four offerings, where we
5 provide the funding to schools and other such entities to
6 purchase the product. And similar is the track and
7 recreational servicing grant program.

8 At the other end, those are both geared towards
9 purchasing the products, so that, in a sense, we're
10 subsidizing the full flow of the materials by helping the
11 end user. At the other end of that cycle, we've done
12 grants to commercialize, to help bring into full scale
13 production new technologies or to expand an existing
14 effort, whether it's a purchase of processing equipment or
15 other such.

16 So we're proposing to continue the product
17 commercialization grant program. We've had some limited
18 success in a green building grant program. Once again,
19 this is at the back end at the end user where grants would
20 be available to use -- to purchase products made with
21 tires that are part of the building's infrastructure,
22 whether it's carpet backing or other kinds of mats or
23 pads.

24 The Board's been very long involved with
25 rubberized asphalt. We'd like to continue that and try

1 and increase the interest in local governments and local
2 use of rubberized asphalt.

3 We want to continue the work that we've started
4 with the CalTrans, the State Department of Transportation,
5 to try and get full acceptance throughout the different
6 regional offices of rubberized asphalt. And then one of
7 the last things to recycling is the idea of increasing
8 monies available through a loan program.

9 In the past, we've been limited, I think, it was
10 a million dollar limit on the loans through the Recycling
11 Market Development Zone Program. And we might look at
12 increasing the amount available per loan as well as
13 possibly doing several loans at a time, so that a chunk of
14 money could be made available there.

15 This last one, this is sort of a discussion issue
16 right now. The California State Parks Department has
17 approached us with the idea that they're interested in
18 using various tire-derived products. And that one we're
19 still trying to shape and explore just what products,
20 whether it would be rubberized asphalt for bicycle trails
21 and hiking trails or whether it be mats or other equipment
22 at playgrounds or what. There may be a whole series of
23 things we haven't yet explored.

24 And then our in-house program is where we provide
25 support for promoting recycling.

1 So that's the list of projects that we've put out
2 there. And as you'll see on the table on page 23, it's a
3 pretty long list. We're more than happy to try and add
4 and subtract or expand. So if you want to start with the
5 comments.

6 DEPUTY DIRECTOR LEARY: Any questions from board
7 members?

8 BOARD MEMBER PAPARIAN: Can I ask a couple of
9 clarifying things?

10 DEPUTY DIRECTOR LEARY: Sure.

11 BOARD MEMBER PAPARIAN: The tire recycling
12 conference, is that focused just on tire recycling as the
13 title implies or more broadly on tire technologies?

14 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:
15 It is the broader focus. It's just that usually the
16 biggest component is the recycling. We usually do have
17 sessions on permitting and enforcement and cleanups. But
18 I would say that maybe two-thirds of the time, our effort
19 is devoted to various kinds of products and markets and
20 research.

21 I think our first conference was one day, but the
22 next two conferences were multi-day, like two days and
23 then trips to see businesses, so that there's room for
24 many subjects.

25 BOARD MEMBER PAPARIAN: Okay. And then the

1 rubberized asphalt activities, could remind me what we're
2 paying now or what we're spending now on promoting
3 rubberized asphalt. Is this a big jump up or is this
4 comparable to what we're spending now?

5 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

6 It's an increase. The Board in the past has, I think,
7 cumulatively spent about \$3 million so far on various
8 kinds of rubberized asphalt support, and that's included
9 contracts with CalTrans for actually laying projects, test
10 projects down and purchasing equipment that allows them to
11 do accelerated pavement testing.

12 And we've provided funds for the Los Angeles
13 County and now the Sacramento County RAC Centers. And
14 we've also provided grants directly to communities to lay
15 rubberized asphalt. And it's roughly about \$3 million
16 worth to date of support. So you can see what we're
17 proposing here is another, what, two and a half million in
18 various rubberized activities and then whether or not
19 there would be any funding involved in the support with
20 CalTrans.

21 I think it's a bit of an increase. We haven't
22 listed a specific grant program here for rubberized
23 asphalt grants to local governments. And that's partly
24 based on past instruction from the Board. And that
25 obviously may have changed. It would be something we

1 could consider if the Board is interested in

2 reestablishing that as a grant program.

3 BOARD MEMBER PAPARIAN: What's your understanding
4 of the past instructions from the Board?

5 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

6 After having done several of the grants directly to local
7 governments, the Board had the sense that we were just
8 paying for their paving projects. They weren't supportive
9 of that. They thought that the better way would be to
10 provide information know-how and expertise to encourage
11 the communities to do it themselves, rather than what they
12 saw as a direct subsidy of a paving effort.

13 BOARD MEMBER PAPARIAN: Okay.

14 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART: I
15 don't know. Steve may remember more the policy
16 discussions on that.

17 BOARD MEMBER MEDINA: Just on that point, when
18 the Governor did his transportation budget for the
19 previous year, he set aside some monies for local and
20 county roads for city and county roads, because maybe the
21 cities nor the counties have sufficient monies to pave
22 their roads. And so a certain amount of money was set
23 aside.

24 It was not, however, sufficient to meet the need
25 because the need had been there for so long, a lot of the

1 counties were actually converting a lot of their country
2 roads back into gravel. So there still is a need to help
3 the cities and counties. And they can certainly use
4 rubberized asphalt.

5 During my tenure at CalTrans, I strongly
6 encouraged the use for civil engineering uses. And one of
7 the obstacles to CalTrans using rubberized asphalt was
8 that a new standard had been developed. At one time the
9 standard for rubberized asphalt for use on the highways
10 had been established between CalTrans and the industry.

11 However, at some point, CalTrans developed its
12 own standard, and so it was not one that was consistent
13 with industry's needs. And so as Director of CalTrans,
14 one of the things that I did was to convene the
15 representatives from the rubberized asphalt industry and
16 then we addressed the problem and corrected the problem
17 such that we no longer, at CalTrans, used an industry
18 separate from -- a standard separate from industry.

19 And I know that the current director is very
20 supportive of that, Randy Owaski, who I promoted to his
21 position over at CalTrans. He was a very strong supporter
22 of the use of rubberized asphalt.

23 And in San Diego, they use more rubberized
24 asphalt than any other district. So I think that there is
25 a good opportunity there to continue to work with CalTrans

1 in regard to the increased use. I know they did a test
2 strip on I-5. But I think the ones that can really use
3 the assistance and cooperation, that's the cities and
4 counties in regard to their rights.

5 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

6 Well, maybe we can look into that fund you were talking
7 about and see if there's a way either of contributing to
8 it or of putting requirements on the use of that fund that
9 they consider rubberized asphalt projects.

10 I think part of the problem we faced in the past
11 was the cost involved, that we didn't have enough funds to
12 do actual paving grants on a large enough scale to make a
13 difference. And the belief was we'd have a better way of
14 spending the money by focusing on the education,
15 promotion, testing and analysis side of it, rather than
16 actually buying tons of pavement to put down.

17 I know there was some talk at one time about
18 trying to fund the differential in cost between rubberized
19 asphalt and conventional asphalt. But under some of the
20 guidelines that CalTrans has developed, they're finding
21 that they can use thinner lifts of rubberized asphalt in
22 place of conventional asphalt so you no longer have that
23 upfront price differential, and we never pursued that
24 mechanism farther.

25 But perhaps working in conjunction with this

1 local government pavement fund, or whatever it's called,
2 we could get more bang for our buck.

3 BOARD MEMBER MEDINA: That's certainly worth
4 pursuing.

5 BOARD MEMBER JONES: I think one of the things we
6 probably ought to think about as well is right now we've
7 got a lot of years of information on the wet process. We
8 have other processes that may be as good, may not be as
9 good, but the information is being generated as we go
10 along.

11 I've had some discussions with the engineers from
12 the Rubber Paving Association and talked about the idea of
13 possibly cutting to the quick on this thing. We're in the
14 middle of a five-year plan where we're going to promote
15 rubberized asphalt, yet there is four, five, ten, 20. I'm
16 not going to even guess, I'll say three different
17 processes, all that have different information behind
18 them.

19 It would make sense to me that we might want to
20 talk about putting some money aside to help cofund actual
21 engineering so that if the processes work and we can get
22 enough data behind them, so that when we go and promote
23 this as a long-term viable product, we've got some
24 engineering data behind us that would seem to be able to
25 involve a lot of different stakeholders and a lot of

1 different testing along the way, as opposed to always
2 pushing one or the other.

3 You have a whole industry that is dependent on
4 scientific and anecdotal information as to the success of
5 their projects. And in discussions with them, they
6 thought there might be value in testing those different --
7 and maybe people have to change the way they look at it.

8 You know, I mean, let the chips fall where they
9 may. But if we're going to spend this kind of money on
10 promoting a process, we ought to get some of the science
11 behind there, or at least think about it, to see -- so we
12 can give support to local governments and State
13 governments that, in fact, these different technologies
14 have these properties and can be expected to get this kind
15 of performance. So I'll throw that out there. I'm sure
16 that will get a few people stirred up in the audience.

17 And then I think the other thing that we really
18 need some discussion on today is we're looking at market
19 development. I think it's -- we have to be real careful
20 that we don't distort the market with this kind of money,
21 and that's a process of connecting dots. And while
22 everybody is going to ask for their particular process to
23 be subsidized, helped, whatever, I think we need to look
24 at the bigger picture of what those subsidies are going to
25 do to the marketplace and where, I mean -- I'd hate to go

1 down a five-year path where we're going to artificially
2 subsidize or artificially create markets that can't be
3 sustained.

4 So we need your best thinking on some of those
5 issues, I think, as to where best to put the dollars to
6 grow markets and not artificially subsidize something that
7 can't stand on its own once that subsidy leaves. It's
8 just my point of view.

9 MR. DUNN: Mark, one of the things Roberti is
10 interested in, and Dan also, the amount of money that
11 you've got in here for green buildings as \$300,000. I'm
12 just wondering if that's an adequate amount of money.
13 Maybe it is in the beginning, but I notice the \$200,000
14 across the Board. And I think potentially there is, you
15 know, for a lot more money and a lot more bang for the
16 buck.

17 In the conversations with Roberti, he felt that
18 on the green building portion of this, the \$300,000, that
19 maybe that was an adequate amount of money for the first
20 year, but that we'd get a lot more bang for our buck in
21 increasing that maybe to the detriment of some other
22 programs, I don't know, but certainly promoting use of the
23 recycled tires, reused tires and the green building
24 projects.

25 DEPUTY DIRECTOR LEARY: Why don't we turn to the

1 comments from the interested participants. I'll start
2 with Mr. Terry Leveille.

3 MR. LEVEILLE: Board members, Terry Leveille at
4 TL & Associates. I've been asked by a consortium of crum
5 rubber facilities to represent them today and to introduce
6 a couple of the folks. This is the six established crum
7 rubber facilities in California, First Nation down in
8 Mecca, BAS down in San Bernardino, RTI in Los Angeles,
9 Atlos Rubber Los Angeles, CRM in Rancho Dominguez and Bay
10 Area Tire Recycling up in San Leandro.

11 They've come into a situation here where for many
12 years they've talked about an unlevel playing field. The
13 situation has gotten significantly worse in the last
14 couple of months from out-of-state tires coming in and
15 from out-of-state product coming in to potentially usurp
16 the California crum rubber producers, particularly from
17 British Columbia where there are significant subsidies
18 from the point of the generator to the facility, from the
19 facility itself to produce the crum rubber, and there's
20 also a subsidy to purchase the steel that is left over
21 from the crum rubber.

22 The product that's coming down into the market
23 you're going to see more and more of and it's threatening
24 the livelihood of these six established crum rubber
25 facilities. And I'd like to introduce Bob Winters who's a

1 spark plug in this whole effort. He's been around for
2 many, many years and he can tell you a little bit more
3 about what it's doing to each one of these industries and
4 how close the industry is to having a real significant
5 problem.

6 But we're talking about out-of-state tires
7 out-of-state product coming into California, displacing
8 California tires that end up in the gullies, in the
9 ravines, in the landfills and that aren't being used.

10 And I did some research on a comparison of some
11 of the states, some of the provinces in Canada. And I'll
12 hand you a copy of a comparison of the different scrap
13 tire programs, with the various subsidies in them, and
14 then a fact sheet of the British Columbia program in
15 itself that you can take a look at, and see how uneven the
16 playing field is and how difficult it is going to be for
17 some of these.

18 Crum rubber is true recyclers. You can, you know
19 cement plants, they recycle tires. They turn it into
20 energy. Crum rubber turns it into high value-added
21 products. And to threaten the very existence of these
22 very few pure recyclers in California is something that
23 really needs to be dealt with by the Board.

24 You've got the opportunity now. We're going to
25 be asking you to set aside and to look at and ask staff to

1 look at a new program to look at possible reimbursements
2 or some type of rebate program to help these companies
3 along.

4 And I want to introduce Bob, who you all know,
5 who can give you a little bit more detail as to what's
6 actually happening to the individual facilities.

7 BOARD MEMBER JONES: I just wanted to see if you
8 had another copy of the comparison?

9 MR. LEVEILLE: I can get you one, but can you
10 share?

11 BOARD MEMBER JONES: We'll share.

12 BOARD MEMBER PAPARIAN: I'm very sympathetic. I
13 know that we're importing many more tires than we're
14 exporting from California right now, in terms of waste
15 tires. You mentioned just one thing you thought we could
16 do, are there other things you think can be done?

17 MR. LEVEILLE: Well, I think what we'd like to
18 see is the Board ask staff to work with industry in the
19 next month and we can come up with a program. We don't
20 want to pin down specific numbers at this point. You
21 know, we don't know what's available and that type of
22 thing, but we're looking at some type of a reimbursement
23 program whether it's by tonnage or by PTE's. You know,
24 indirectly thus far in the programs that are listed in the
25 proposal, we're talking about some indirect assistance to

1 those that use the crum rubber itself.

2 Now, that possibly may benefit a company in
3 California, but it's certainly going to benefit another
4 company in an out-of-state area that is making the stuff
5 cheaper than Californians can make it, because there's a
6 subsidy. It certainly may benefit a company in California
7 that imports tires or imports tire product that can turn
8 into crum rubber that can make it cheaply, more
9 significantly cheaper than a California -- than some
10 facility in California using only California waste tires.

11 BOARD MEMBER PAPARIAN: Do you know of any other
12 states that have been successful in coming up with ways to
13 limit out-of-state or out-of-country crum rubber?

14 MR. LEVEILLE: I mean, there's not really a way
15 of limiting the out-of-state or out-of-country stuff,
16 other than your grant program does require that playground
17 mats be made from California waste tires. There's no way
18 to enforce that. There's no way to check that that has
19 been done, other than just a company signing a good faith
20 agreement. But there really -- we're not looking at a way
21 to prevent it. We're looking at a way to bolster the
22 market in California, because I don't think we can prevent
23 it.

24 Arizona has a policy that they will only allow
25 the use of asphalt rubber projects made in the U.S.A. --

1 crum rubber made in the U.S.A. or the asphalt rubber made
2 in the U.S.A., but I don't know anything more than just
3 that.

4 BOARD MEMBER PAPARIAN: Is that by statute or
5 by --

6 MR. LEVEILLE: I think it's by statute. I'm not
7 that familiar with the Arizona program.

8 BOARD MEMBER PAPARIAN: Thanks.

9 MR. LEVEILLE: But as far as limiting Utah tires,
10 as far as limiting Canadian tires, I don't think so.

11 MR. WINTERS: Bob Winters. Good afternoon,
12 gentleman, ladies. My name is Bob Winters and I represent
13 Atlos Rubber Company out of Los Angeles. And we, together
14 with some of our colleagues in the industry, are here
15 today to address what Terry outlined, and that is someway
16 of leveling the playing field with primarily the imported
17 Canadian crum rubber and crum rubber feed stock, which is
18 competing with us in a manner which is -- it's impossible
19 to compete with this.

20 As Terry pointed out, particularly in British
21 Columbia, they receive a shipping subsidy when the tires
22 are shipped from the generators to the processors for
23 manufacture of crum, and then they are paid an additional
24 subsidy, a sizable one, as you'll see from the fact sheet
25 that Terry handed out, when the crum rubber is

1 manufactured and sold, and when it's made into finished
2 goods products.

3 All four western provinces in Canada have these
4 subsidies. I think the eastern ones do too, only the four
5 western ones impact California and the use of California
6 tires, and that's really the focal point, I think, for the
7 Board is that California scrap tires are being displaced
8 by imported scrap tires, be they in the form of tires, in
9 the form of shredded feed stock or in the form of crum
10 rubber itself.

11 There is now in the planning stage a British
12 Columbia based tire processor who is about to site a crum
13 rubber facility in southern California. And we are told
14 that this will reportedly use Canadian scrap tire feed
15 stock to produce crum rubber.

16 Now, I got that directly from the President of
17 the Canadian company and I know for a fact that it is
18 happening. He has purchased the machinery to do so from
19 people we know. And the destination for that machinery is
20 Los Angeles or the Los Angeles area.

21 In addition to the problems with our Canadian
22 neighbors, we are faced with the ongoing, as you well
23 know, subsidies which exist in the State of Utah. Now,
24 that volume has diminished as the Utah people are getting
25 subsidized for alternative daily cover within their State.

1 So less of it is being brought into California at this
2 time.

3 Arizona, however, who has subsidized tipping
4 fees, which are sizable, are shipping crum rubber from
5 Arizona tires into California as well, primarily for
6 CalTrans projects.

7 As California tire derived crum rubber producers,
8 we need whatever mechanism will not only level the playing
9 field, but encourage the use of California's scrap tires.
10 A specification preference by CalTrans for the use of
11 California derived crum rubber in their asphalt rubber
12 could be helpful, but there are so many other markets
13 besides asphalt rubber, which utilize crum rubber, we
14 think that an across-the-board-mechanism, and I don't know
15 what it could be called, there is no such program in place
16 now, it would have to be created, in order to level the
17 playing field for all of those in the business of
18 producing crum rubber from California tires.

19 We respectfully ask for your assistance.

20 Any questions?

21 BOARD MEMBER PAPARIAN: I'd just like to -- does
22 the staff have any reaction in terms of what might be
23 possible?

24 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

25 Well, as to his specific recommendation of working with

1 CalTrans, we do have such a relationship and that's one of
2 the things we could explore is a specification that has
3 some encouragement for California crum. But the problem
4 is that most of the local governments are looking at, you
5 know, lowest cost. And if they feel they can get a better
6 deal, I'm not sure if we could maybe provide funding for a
7 differential or would that be the kind of specification
8 you're looking for?

9 MR. WINTERS: I don't think that that would
10 necessarily be -- I don't think there will necessarily be
11 a cost differential. I think the crum rubber producers in
12 California, whether they're using California tires,
13 Canadian tires, Utah tires or whatever are probably going
14 to be competitive. I think, if anything is to be done at
15 the CalTrans level or even at the county and city levels,
16 and I don't picture that being an easy thing to
17 accomplish, I think at the CalTrans level a preference in
18 the bidding process for those contractors who will certify
19 that they are utilizing crum made from California scrap
20 tires would be the solution to that.

21 It wouldn't solve all of the other myriad uses
22 for crum rubber, which include the pour-in-place
23 playground materials, such as the Board is now
24 subsidizing, as well as many, many other uses for crum
25 rubber, which are growing. Thank goodness our market is

1 being grown with additional crum rubber producers.

2 The good news is the markets for crum rubber are
3 increasing, but we do need something, by way of a
4 mechanism, that will help us financially to level the
5 playing field. We would be glad to work with staff during
6 the next month and perhaps report back to you at the
7 February meeting if, in fact, we can agree on a mechanism
8 that would, in fact, be acceptable to the Board.

9 BOARD MEMBER JONES: Mr. Winters, I'm going to
10 ask you a question and I don't want you to get angry,
11 because I absolutely support the California crum
12 manufacturers. But I think if we're going to put a
13 working group together, it needs to include some of the
14 other end uses, because the one thing that I worry about
15 in trying to figure out a way to compete with the
16 out-of-state product, which I think we need to do, we
17 don't want to change or significantly skew the marketplace
18 where the subsidy for crum rubber operations distorts
19 shredded tires and a lot of other products where we lose
20 this marketplace balance.

21 Maybe, it's not balances, but that's ultimately
22 where we have to try to get to some time, at some point.
23 So I would hope that while we do need to address this, we
24 need to, you know, figure out what it's going to take. We
25 need to include others to make sure that we don't -- this

1 is the biggest fear I have about this bill and these
2 dollars, is that we're going to distort the marketplace so
3 that one survives and others don't. And we just have to
4 try to recognize that balance as we try to work through
5 these issues.

6 MR. WINTERS: Mr. Jones, I couldn't agree with
7 you more. As a matter of fact, I've been contacted by
8 some of our customers for crum rubber, who are also being
9 put in a disadvantaged position relative to imported
10 finished goods. And they, too, feel that they need some
11 help.

12 Now, I don't know, you know, where the limit is
13 on the kind of help, if any, that is available. But a
14 good customer of ours that makes rubber tile was just out
15 bid in Glendale, California, which is in southern
16 California, by a Canadian rubber tire in place.

17 And on a deliver basis, he could not compete.

18 BOARD MEMBER JONES: Because of those subsidies.

19 MR. WINTERS: Because of those subsidies in
20 British Columbia. And those subsidies go across the four
21 Canadian provinces. They are the most onerous by our
22 standard in British Columbia. But I think finished
23 products manufacturers may also be looking for whatever
24 financial assistance can help them level their playing
25 field relative to imported finished goods made with

1 Canadian crum.

2 BOARD MEMBER JONES: Okay.

3 For Mark Leary. Mark, we talked about the tire
4 recycling conference. I think one of the other things we
5 need to put into this is we need to look how we can help
6 make sure some of these folks are at our recycled content
7 product trade show for State and local governments, where
8 maybe we can figure out an appropriate mechanism to get
9 some of these folks there promoting their products to an
10 audience of State and local procurement officers. But I
11 think we ought to add that to the list.

12 DEPUTY DIRECTOR LEARY: Mr. Mike Harrington.

13 MR. HARRINGTON: Good afternoon. I'm with a
14 company, new company being formed, Western Rubber
15 Processors. And we are part -- going to be BC owned and
16 bring crum rubber in three-eighths minus down into the
17 State of California. The amount of crum rubber coming
18 from British Columbia would be approximately the same as
19 has been shipped from British Columbia over the past five
20 years.

21 That crum rubber has gone to the various tire
22 recyclers in southern California, the same people you see
23 here but as feed stock, to be by the southern California
24 processors then, refine down to the gradations necessary
25 for incorporation into various molded rubber or asphalt

1 rubber products.

2 The difference being not in the amount of crum
3 rubber coming down from British Columbia, but the new
4 company that will be part BC owned will be taking that
5 same rubber and bringing it down to the gradations for the
6 use in molded rubber products and in rubberized asphalt.
7 That's one thing.

8 Secondly, I'd like to discuss the quote unquote
9 "unreasonable subsidies." The subsidies received by the
10 tire recyclers in Canada total is a \$1.50 Canadian.
11 That's roughly \$1 U.S. In Canada there is no tipping fee.
12 The tipping fee is zero. So the subsidy in this case is
13 really the tipping fee that at \$1 per tire, I think, you
14 see throughout a good part of the State of California.

15 Thirdly, all of the crum rubber feed stock coming
16 from British Columbia will be minus 3/8th nominal and is
17 really, I think, outside the scope of SB 876.

18 I guess, in conclusion, it's going to be not that
19 there's any great deal more crum rubber coming down from
20 British Columbia, it will be the same quantity, it will
21 just be a different company making the final gradation.

22 Thank you.

23 BOARD MEMBER JONES: When you say that the
24 product coming down is outside of the scope of SB 876,
25 what do you mean by that?

1 MR. HARRINGTON: I mean that 876, by definition,
2 excludes crum rubber. And crum rubber by their definition
3 is a quarter inch minus. Anything coming down from
4 British Columbia will be 3/8th minus.

5 BOARD MEMBER PAPARIAN: I mean it's a difference
6 of philosophy, right, in terms of what was intended. I
7 think there's a clear intention in 876 for a hierarchy of
8 options for dealing with waste tires with California. And
9 I think the concern that a lot of us have is that
10 importing waste tire products affects our ability to
11 implement the hierarchy of uses of waste tires coming from
12 California.

13 MR. HARRINGTON: Do you want me to address the
14 hierarchy of uses or do you want me --

15 BOARD MEMBER PAPARIAN: It was a rhetorical
16 statement.

17 MR. HARRINGTON: Okay.

18 MR. DUNN: Martha, did you want to say something
19 about that?

20 DEPUTY DIRECTOR LEARY: Mr. Murray Quance, did
21 you want to address this a little bit? Did you want to
22 address this? You made a comment in the subject area.

23 MR. QUANCE: Again, Murray Quance, with BAS
24 Recycling. I just want to make one comment relative to
25 that we're not up here as manufacturers of crum rubber

1 here and looking for a handout. My company this year will
2 take care of two million passenger tire equivalents, so
3 we're firmly committed to this market. We currently are
4 shipping crum rubber to Japan. We're shipping it into
5 Canada, covered by contractual agreement there. And in
6 case of playground mats, we're moving into South America,
7 Africa and Europe, so we're not afraid to compete.

8 But I think some of you that have been aware what
9 the history of the company I've been with has been 11
10 years. And it's been very, very difficult for the
11 companies to be strong and solid. And our desire is to be
12 solid, and we certainly can survive. We have survived.
13 And I think through a lot of people that have been before
14 me, we will continue to survive.

15 But for us to make this a strong industry, and I
16 think fulfill the long-term goals of this business, we
17 need to reinvest so we can be competitive. And I think I
18 can speak for my compatriots here, my competitors as well,
19 is that the current situation will only worsen. We would
20 continue to survive, but I don't see we could make the
21 reinvestments that are necessary to make this a world
22 class organization.

23 So there are some other things that are unique in
24 Canada. And, by the way, I carry both passports, so I
25 think I can speak to them. But I think it's the subsidies

1 that is the key issue. And I'm not here, I don't have the
2 magic -- Martha, I guess we've talked about what's the
3 magic answer there. I do not really have a solution.

4 But I know that if this begins coming through, in
5 my judgment, this will only increase dramatically, and I
6 think will negatively impact all our goals.

7 Thank you.

8 DEPUTY DIRECTOR LEARY: I have several slips here
9 from speakers who want to address something other than the
10 crum rubber. In the interests of keeping the flow of this
11 conversation going, are there any speakers related to the
12 crum rubber issue and the subsidies that would like to
13 speak to this point or I'll move on to another subject.

14 MR. TAKALLOU: Just a comment. There was a
15 mathematical issue here. Mr. Harrington mentioned that
16 the rubber coming from Canada is $\frac{3}{8}$ th of an inch. And
17 the group of SB 876 is quarter of an inch. Quarter of an
18 inch is .25 inch, $\frac{3}{8}$ th is .375 inch. So $\frac{3}{8}$ th --

19 BOARD MEMBER JONES: You see, I wish you wouldn't
20 have said that, because the math -- you're right about the
21 math, it does fall within SB 876. Go ahead, Barry, I'm
22 sorry. Just you're absolutely right.

23 MR. TAKALLOU: I'd just like anybody else, we
24 have been for the last 11 years or so, we've been working
25 very hard to develop the market in this state, and it

1 shows how much of the taxpayer's money this State has
2 devoted for development of this market. And I'm glad to
3 announce rubber asphalt, which is one of our biggest
4 markets of crum rubber has been very, very successful.
5 And thanks to CalTrans, local agencies and one of our
6 single projects just two weeks ago bidden by CalTrans in
7 the bay area is going to consume over 400,000 scrap tires,
8 just one project.

9 And we've worked very hard to spend -- all of
10 this time and effort is not all in the form of money.
11 There's lots of bodies here spent devoted and we donated
12 our times to development of this market, and we hope we
13 can keep this for ourselves. And I hope the Canadians if
14 they want it, they can pay us and we go and show them how
15 to develop their markets.

16 Thank you very much.

17 DEPUTY DIRECTOR LEARY: Mr. Lynn Nicholson.

18 MR. NICHOLSON: My name is Lynn Nicholson. I'm
19 the Program Director of the Los Angeles County Rubberized
20 Asphalt Concrete Technology Center. And I'm here to speak
21 today for myself and Southern California and also for
22 Theron Roshon, who is the director of the northern
23 California branch of the technology center.

24 We were first funded by the Board and established
25 in July of 1997. And, at that time, I thought there was a

1 definite need for this information about the use of
2 rubberized asphalt, accurate, easy-to-obtain information.
3 In addition to the information already developed by
4 CalTrans, there needed to be some information giving an
5 outreach of services to the local agencies, and I think
6 we've done that.

7 We do that by attendance at major conferences.
8 We do that by workshops. We've had regional workshops
9 there and just had one in Oakland a couple of months ago.
10 Two-day work shop, a one-day workshop that turned into a
11 two-day workshop. So there is certainly an interest, a
12 need in this type of information. Our web site is
13 probably, I think, the most complete set of information on
14 rubberized asphalt that's around. We get over 62 hits a
15 day on this web site from around the world.

16 And it just goes to show, I think, that the
17 Board's idea or, yeah, the Board's idea of funding this
18 technology center is a good one. This year I'm
19 concentrating on inspection workshops, half-day workshops.
20 The last year 2000, I did 35 workshops personally. Over
21 900 people attended these workshops. These are just
22 bullet workshops, guidelines for -- it's not to train a
23 new inspector, but to remind existing or experienced
24 inspectors and engineers what they need to look for to get
25 a good rubberized asphalt project. And if we get a good

1 one, you'll do another one and another one. And I think
2 Mr. Medina will certainly agree with that, as I think all
3 of you will.

4 We are asking for funding again in the five-year
5 plan. I think that we've developed a tremendous interest
6 in the use of rubberized asphalt and it appears from the
7 previous discussion that there is so much interest in
8 rubberized asphalt, now we're bringing tires in from all
9 over the place. It's a good product if it's done right.

10 The workshops, I believe, have been very helpful.
11 We've established a degree of interest now where we've got
12 the ball rolling, the snowballing effect that I talked to
13 on our incentive programs. Speaking of the incentive
14 programs, about \$400,000 or \$500,000 of the Board's money
15 has gone directly to cities and counties for using
16 rubberized asphalt at \$1 per ton for inspection and \$5,000
17 per project for deflection testing. I'd like to continue
18 that.

19 Every dollar spent on inspection uses about three
20 tires. And the inspection will ensure that the project
21 will come out. If the project comes out, they do another
22 project and another project and another project.

23 The \$400,000 or \$500,000 that we've spent on the
24 incentive programs so far result in the use of over 1.2
25 million tires in the last two years. And I think that's

1 something that should be considered. I think that the
2 Board -- I'm recommending the Board continue the program
3 for both centers.

4 And I'll be glad to answer any questions.

5 BOARD MEMBER PAPARIAN: That last quantification
6 that you just gave, I think, was important. One of the
7 things that we're supposed to do in this report is provide
8 some measurement criteria so that we can keep track of the
9 successes of each of the programs. I would encourage you
10 to be as accurate as you can and to continue to quantify
11 the results of your workshops.

12 MR. NICHOLSON: As far as the accurate figures,
13 what I'm asking I think is an industry standard of about
14 three passenger tires equivalence per ton of rubberized
15 asphalt. Now, there is various programs if you're using
16 75 percent rubber from tires and 25 percent from a natural
17 source, such as a CalTrans specs, and the wet process
18 specs in the green book is 2.75 or something like that,
19 but it's about three.

20 DEPUTY DIRECTOR LEARY: Thank you.

21 MR. HARRINGTON: I'll set these down here, you
22 can look at it and pass it around. It's our new version
23 of our brochure.

24 Thank you very much.

25 MR. WINTERS: Bob Winters again with a different

1 hat. As a member of the Executive Committee and the Board
2 of the Rubber Pavements Association, I'd like to
3 congratulate Lynn Nicholson and the Southern California
4 Technology Transfer Center as well as the new Northern
5 California Technology Transfer Center and all the work
6 that they've done, the workshops they have put on, the
7 technology they have transferred. It's working.

8 However, I think something that the Board may
9 want to consider, please, is to compensate the Rubber
10 Pavements Association for its participation in those same
11 clinics, workshops and seminars that the Technology
12 Transfer Centers have been putting on. This has been a
13 costly item for the Rubber Pavements Association. And we
14 would appreciate the Board considering some type of a
15 grant to the Rubber Pavements Association to help it
16 offset its costs for California seminars and workshops and
17 the like, and its participation in those efforts.

18 We are constantly in touch with CalTrans in
19 working with them relative to the specifications that Jose
20 Medina referred to. I'm up here at least five or six
21 times a year working with CalTrans people just on the
22 specifications and refining them relative to the rubber
23 gradation and how to test the gradation for whether it's
24 hit specification in the field, getting representative
25 samples, and I won't bore you with the rest of the

1 technical aspects of that.

2 But I wish the Board would consider a grant to
3 our RPA for its efforts. Any such monies would be
4 earmarked strictly for California. We have our budget set
5 up by State relative to our promotional efforts and this
6 would be an adjunct to our California budget, which is
7 severely strained at this point in time.

8 One other subject that came up at the RPA annual
9 meeting in Washington D.C. last week, it's one which may
10 be some of you are familiar, because I've brought it up
11 before and others have talked to you about it, I think,
12 but it certainly has been addressed before.

13 And that is the funding to put signs alongside
14 the roadway where a rubberized asphalt project is going on
15 informing the public that so many tires are being utilized
16 on the project. I think this is --

17 BOARD MEMBER MEDINA: Very good idea.

18 MR. WINTERS: We all think it's a good idea. It
19 just has never happened. I would like to see staff come
20 up with some type of concept for creating a mechanism to
21 create those signs and to work with the CalTrans people or
22 with the contractors, whoever is the appropriate people to
23 work with, to put these signs at the beginning and the end
24 or coming from both ends of these projects, informing the
25 public and informing other people from cities, counties

1 and other agencies that scrap California tires are being
2 utilized in these highways to advantage.

3 And I thank you.

4 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

5 Just a comment on that, we could perhaps combine it with
6 our green building grant and use recycled plastic metal
7 and lumbers on the signs.

8 BOARD MEMBER JONES: Very good.

9 BOARD MEMBER PAPARIAN: I think, Mark, you and I
10 talked about this briefly at one point, but I'd love to
11 see if it's possible to map out which roads actually have
12 the rubberized asphalt on them. If this is a longer
13 discussion, we can talk about it separately.

14 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

15 Just real briefly, no one really tracks exactly where all
16 the rubberized asphalt has been laid. CalTrans has some
17 numbers on some of their projects. We've gotten some
18 information through the southern California Tech Center,
19 but there's really no single clearing house that a local
20 government, a city, a county, or even a private paving
21 contractor has to report to say, well I used it here. But
22 we could probably identify the major projects, you know,
23 the big Highway 1s or some of those.

24 BOARD MEMBER MEDINA: And you certainly could
25 identify the more current ones, because I know when the

1 special efforts were being made that certainly those laid
2 miles are certainly identifiable.

3 BOARD MEMBER JONES: One quick question of Terry
4 Leveille. And I don't know if you can answer this, but I
5 don't want to put people in a bad position. Could you
6 give me a range, a range, of how much is charged per tire
7 when they go into a crum rubber operation?

8 MR. LEVEILLE: The tip fees?

9 BOARD MEMBER JONES: Yes.

10 MR. LEVEILLE: In California, crum rubber
11 facilities probably, depending on their location, they get
12 anywhere from about five cents for some shred to about 35
13 cents for a whole tire.

14 BOARD MEMBER JONES: So they're charging --

15 MR. LEVEILLE: That's -- you know a tip fee, you
16 know, I'd say under 35 cents a whole tire, passenger tire,
17 PTE.

18 BOARD MEMBER JONES: So we're looking about a
19 buck fifteen for a truck, about a buck.

20 MR. WINTERS: More like a buck.

21 MR. LEVEILLE: British Columbia, if you add in
22 the --

23 BOARD MEMBER JONES: That's why I asked the
24 question, because Mr. Harrington said that he gets a buck
25 and a half subsidy and there are no tip fees, and that's

1 just what there is in California. But I don't understand
2 if the dollars are the same in Canada as they are here,
3 why you would do the work, why you would put it on a
4 trailer, why you would haul it down to California to look
5 for a market. So I'm having a hard time with the math.

6 MR. LEVEILLE: Well, the math is -- actually, on
7 my cheat sheet, you didn't get to see that Danny wouldn't
8 share with you, they actually would get about --

9 BOARD MEMBER EATON: Because it's only one-sided
10 copies.

11 BOARD MEMBER JONES: See how much more you could
12 have made, Terry.

13 MR. LEVEILLE: I forget I used to work here,
14 didn't I?

15 BOARD MEMBER JONES: You did used to work here.

16 MR. LEVEILLE: They actually get a fee, a hauler
17 fee, from the point of generation to the facility that
18 averages out according to the BC Department of
19 Environmental Quality to about 53 cents U.S. per tire.

20 BOARD MEMBER JONES: Just for transportation.

21 MR. LEVEILLE: Just for transporting. Once they
22 get in there, then they get -- it's a dollar, you know,
23 ten or a dollar something to produce the crum rubber. If
24 they produce a larger grade than crum, say three-quarter
25 inch, they get an additional, rather than the \$1.10, they

1 get like, you know, 90 cents or something like that, U.S.

2 This is in addition to the 53 cents of hauling.

3 So it does make it -- so you're talking, you
4 know, a buck and a half -- close to a buck and a half tip
5 fees to bring it down to three-quarter inch. And then
6 shipping it down to California that's a lot cheaper than
7 you can make it here significantly.

8 Then you're talking about the crum rubber
9 processing technologies, which certainly make it a lot
10 easier if you've got a 3/8th inch or three-quarter inch
11 piece of already steel free or relatively steel free stuff
12 then if you've got even the nickel PTE shreds that some of
13 the facilities get down here.

14 BOARD MEMBER JONES: Thank you for that
15 information. Mark, I don't know who we can have on our
16 staff that can really look at those subsidies, because I
17 have just decided I will become fully committed to working
18 with the California crum rubber producers for a couple of
19 different reasons.

20 And I'll give you a little history here. Tires
21 were part of the Policy Committee, which was my committee
22 when I first got here. And I needed to get up to speed as
23 quickly as possible and a lot of these people that are in
24 the room today were in the room that day trying to give me
25 as much as they could of how this system works. And we

1 subsidized this board, while they weren't called
2 subsidies, put money into the market place where we funded
3 the molds, so that people could, you know, make product
4 that you now see at McDonald's and places like that.

5 We funded the use of -- we did grants so that
6 there was a need -- where we saw a need, to be able to
7 provide that product without distorting the marketplace,
8 make dollars available to cities and counties all of us
9 that have allocated dollars to those projects. A lot of
10 money went in and it went into a few different operations,
11 and, you know, always with the intent of building this
12 marketplace up so that some day it could sustain on its
13 own.

14 And it amazed me the day, a couple of years ago,
15 when I was accused of not paying enough attention to those
16 folks, and it amazes me today that 3/8th's inch crum is
17 outside of our regulatory sphere. So they've got my
18 attention and that's not always a good thing.

19 (Laughter.)

20 MR. LEVEILLE: Let me just add that the intent is
21 certainly not to denigrate any of the other types of
22 rubber recycling. We've got a significant amount of money
23 going towards civil engineering uses, a significant amount
24 of money proposed, at least early this morning, for cement
25 plants and cogeneration plants, half a million dollars

1 each.

2 And, yeah, the crum rubber industry has been
3 helped indirectly through assistance to local governments
4 and parks and schools for their playground mats and that
5 type of thing. But it doesn't -- it still is a
6 significant problem, in terms of outside tires coming in
7 and it will grow. And most of the crum rubber facilities
8 the six that are established in California are marginal
9 players. I mean they're not -- Bob Winters does not drive
10 a Lincoln Continental up here. He gets a Ford Pinto or
11 something.

12 (Laughter.)

13 MR. LEVEILLE: So any kind of assistance --

14 MR. WINTERS: It needs body work.

15 MR. LEVEILLE: Any kind of assistance you can
16 give us.

17 Thank you.

18 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:
19 Actually, Terry, before you step down, the table that we
20 have on page 23 shows over \$10 million in grants to be
21 possibly made available for various crum rubber products
22 over the next five years with another six million or so
23 for products that may be crum rubber, like product
24 commercialization grants and green building grants. Those
25 might be shreds, those might be crum.

1 Are you saying that's not enough money or we're
2 not putting it in the right place, and is there a
3 different way of making it available rather than through
4 grants.

5 Is that --

6 MR. LEVEILLE: I think there is a possibility for
7 looking at some creative ways to do that which are not
8 covered in the grants.

9 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:
10 Can you mention some creative ways?

11 MR. LEVEILLE: And I'd be more than happy to sit
12 down and talk with you prior to you coming up with, you
13 know, a more complete plan for the Board in February.

14 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:
15 If I could give just a little bit of history. In the
16 development of the Board's grant programs, we have done an
17 analysis of the system where monies can be put into that,
18 and we identified four different points, in the collection
19 and hauling side of it, in the actual processing of the
20 tires, in the manufacture of new products from that
21 process material, and then in the end use and supporting
22 the purchase of those products. And our grant programs
23 we've tried here monies in each of those four venues.

24 Do you see that one of those is more or less
25 successful than others that we've neglected one or it

1 sounds almost right now that people are saying let's
2 provide funding for the collection and hauling side of it
3 so that the tires come to the door at a better price, a
4 higher tip fee?

5 MR. LEVEILLE: No, I was just comparing
6 relatively the difference in tip fees that Board Member
7 Jones is asking about. You know, I'm sure some assistance
8 in the tip fees would be, but I'm not sure that that's
9 probably what they're looking at. We'd be willing to sit
10 down with you and go over the different types of grant
11 programs and the different types of programs that the
12 Board has generated in the past and look at areas that we
13 could maybe -- that might make more of a difference than
14 what we currently have.

15 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:
16 Thank you.

17 MR. WINTERS: If I may just one more time.

18 DEPUTY DIRECTOR LEARY: I guess, Mr. Harrington,
19 we have you there.

20 MR. HARRINGTON: Mr. Jones and other members, I'd
21 be happy to share, because this is a concern, I've been in
22 the California tire recycling for a number of years and
23 would be happy to share British Columbia, the name of the
24 Director of Pollution Prevention, also the manager of
25 Environmental Stewardship, if you're interested, actually,

1 in what they're doing and how they're doing it, and also
2 on the dollar side PricewaterhouseCoopers actually manages
3 their funds.

4 One of the things that California doesn't have
5 that Alberta, British Columbia, Utah and these places it's
6 kind of like, well, what is one of the big differences
7 with what's going on in California and some of these other
8 places that you'll find that in any place that the
9 Government has stepped in and tried to regulate, one of
10 the first things that happens is that tires are no
11 longer -- whole tires are no longer welcome at a landfill
12 and they go down to being discouraged for landfilling and
13 are required usually under two-inch nominal chip, that, in
14 effect, drives the tipping fee up.

15 It's something that California hasn't really been
16 willing to address, because I think quite rightly, you
17 know, where are the markets and what's going to happen
18 maybe to some of those tires. But if you're looking at
19 the one thing that is different in California as opposed
20 to these other states and provinces that magically have
21 tire programs and you're seeing tires from here, there and
22 everywhere, and I don't know mean British Columbia, is
23 that tires are basically banned from the landfill.

24 Thank you.

25 BOARD MEMBER JONES: Tires are banned from

1 landfills in eight states in the United States. And in 31
2 states they require them to be shredded to go in.

3 MR. HARRINGTON: And you'll find in those states
4 without, you know, looking over your shoulder that the
5 tipping fees in those states are higher than the five
6 cents or 35 cents that Mr. Leveille is talking about.
7 You're talking significantly higher. And that's my only
8 point, whether you call it a subsidy or whether you call
9 it a tipping fee, it needs to increase or you can make a
10 direct subsidy if that's what this board chooses.

11 But as it is currently run, or as it's currently
12 going, you ask for where is the, you know, where is the
13 major disconnect. What's happening in other places that
14 aren't happening here. Now, I'm not an expert, obviously,
15 but that's one that comes to my mind as to what the
16 difference is between say California's program and some of
17 the other State programs.

18 Thank you.

19 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:
20 Mike, two points. Two questions, Mike, before you step
21 down. One is in California, whole tires cannot be
22 landfilled. They have to be altered. So there has been
23 an attempt to affect the cost of landfilling through that
24 requirement. And I take it from what you're saying, you
25 think that doesn't go far enough, that we need to do more?

1 MR. HARRINGTON: Well, a single path shred is
2 landfillable. What I think you'd have to do is get it
3 down to a -- really where it could almost be used as feed
4 stock, a two-inch nominal minus. That's going to create a
5 "hardship", quote unquote, on the landfill, but it's also
6 going to increase the tipping fee across the Board.

7 Then when Terry Leveille, a year from now, comes
8 back and talks about the tipping fees, in general, in
9 California, I think you're going to find they've tripled
10 or quadrupled.

11 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:
12 My second question, you had mentioned it earlier and a
13 couple of folks have commented on it, could you clarify
14 your remarks about the 3/8th's inch versus quarter inch.

15 MR. HARRINGTON: I'm sorry that should be 3/16th.
16 Basically, what we're talking about bringing down is
17 something in the range of four mesh to eight mesh, which
18 would be 4.75 millimeters to 2.36 millimeters or .187
19 inches to .0937 inches. And I could probably get it in
20 some other form. It was a misstatement on my part. It's
21 3/16th's nominal.

22 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:
23 That is under a quarter inch the 3/8th is over a quarter
24 inch.

25 Thank you.

1 DEPUTY DIRECTOR LEARY: In the interests of
2 keeping this moving, I know that --

3 MR. LIEBICH: Can I say something?

4 DEPUTY DIRECTOR LEARY: Yes, please do and
5 there's a couple other slips that I haven't even gotten to
6 yet.

7 Please identify yourself.

8 MR. LIEBICH: Is that okay?

9 DEPUTY DIRECTOR LEARY: No, identify your name.

10 MR. LIEBICH: I'm Ehrenfried Liebich. I'm with
11 the Quantum Group. And during the conversation, I just
12 wanted to enlighten some people of some of the Canadian
13 programs. The Alberta program there's a tipping fee --
14 not a tipping fee. It's an imposed fee on the purchase of
15 a new tire of \$4 Canadian per tire. That pays the
16 consumer when he buys a new tire.

17 That \$4 is broken down into several segments.
18 The transportation is between 75 cents and 90 cents
19 depending on the distance the tire hauler hauls the tire
20 to the recycler. The recycler in Alberta gets \$2.40
21 Canadian per tire. And he has to bring it down into those
22 mesh sizes, which are considered crum rubber even with a
23 large measure, four mesh plus.

24 And that is basically where the competition comes
25 into the marketplace, because Canadian product

1 manufacturer or granulator can then take this granulate
2 and sell it into the United States at a significant
3 profit, because the Canadian government doesn't care where
4 the crum rubber goes or where the product goes. So you
5 have really basically a situation then the American market
6 looks a little different, because we are active all over
7 the world in every country of the world at a different tax
8 dividend.

9 But in California, you know, the recycler or the
10 recycler basically gets about \$1 per passenger tire. And
11 it's really basically to drive from, sort of familiar,
12 take it to landfill if you do it timely. So the recycler
13 gets basically the same amount, there's no other
14 subsidies. And here it's tough to compete with the
15 Canadian market in that instance.

16 And usually there's a little different saying
17 also and this is why it's profitable to ship tires from
18 Utah into California. But that's the economics in
19 Alberta. And almost all the western Canadian provinces in
20 that model make movements throughout Canada. So the
21 consumer basically pays the recycling fee.

22 BOARD MEMBER JONES: So there's a \$4 fee that is
23 paid on every tire?

24 MR. LIEBICH: Yes. When you buy a new tire in
25 Canada, you pay \$4 like sales tax. You pay it on a new

1 tire, and then they don't care what happens to the tire,
2 because there's no more motive for the consumer to throw
3 the tire away. There's no waste tires.

4 BOARD MEMBER JONES: So you're going to get
5 between \$3.15 and \$3.30 including the transportation?

6 MR. LIEBICH: There's another fee in there which
7 is the administration fee for the government, which is
8 about .90 cents.

9 BOARD MEMBER JONES: So they keep the 90 and the
10 recyclers, depending upon the transportation --

11 MR. LIEBICH: And they run their business very
12 well. In their last financial, they had twenty some
13 million dollars Canadian in the kitty. So it's a
14 semi-governmental agency. Some people are in the
15 transportation business or the recycling business as well.
16 And there's no waste tire problem in Alberta.

17 BOARD MEMBER JONES: I guess not. At \$3.15 a
18 tire. But that's a lot different than a \$1 or a \$1.50 or
19 whatever.

20 MR. LIEBICH: Yeah, the recycler ends up
21 basically with \$2.40, so, yeah, that's \$4 Canadian on the
22 new tire.

23 BOARD MEMBER JONES: Thank you.

24 DEPUTY DIRECTOR LEARY: Barry, I've got a couple
25 of people I haven't even had a chance to get to yet.

1 Continuing maybe the last piece on the subsidies

2 Mr. Mark Hope.

3 MR. HOPE: Hello. My name is Mark Hope. I'm
4 with Waste Recovery West. And I wanted to just briefly
5 talk about subsidies in general, not specifically crum
6 rubber, but anything that we do.

7 I'm a firm believer in inter-state commerce. And
8 I think the issue is the tires that come into California.
9 I think the issue is the money that's behind the tires
10 that come into the state that's being subsidized by
11 government.

12 And operating in roughly four states, we've
13 confronted this issue perhaps years ago. And I think
14 there are a couple of mechanisms available to deal with
15 this without having to go and play this poker game where
16 everybody keeps betting more and more money and
17 subsidizing more and more in order to counteract
18 neighboring states or provinces.

19 But roughly four or five years ago, we got into
20 this issue with Alberta and British Columbia as well. And
21 in the northwest there is a group called the Northwest
22 Economic Summit. It's kind of a trading group, which
23 included the two provinces as well as the northwest
24 states.

25 In that group, State legislators as well as

1 provincial politicians belong to the group, and I became a
2 quick study of the law of NAFTA. And NAFTA, and I think
3 you can pull it up on the Internet, very much is very
4 explicit about subsidies and what people and repercussions
5 or remedies people can seek when there are subsidies, and
6 that Canada as well as Mexico and what have you, are not
7 supposed to subsidize materials.

8 I guess what I would like to suggest perhaps as
9 were' into the budgeting phase and maybe of one the
10 biggest ways to address these subsidies is really look at
11 how legal they really are, not only from the Canadian and
12 the foreign trade. I think if we were a group of scrap
13 metal or metal producers or what have you, I think, the
14 clear term is called dumping.

15 And when you have foreign partners dumping
16 products in this country and they're being subsidized, I
17 think I would like to suggest again some sort of legal
18 fund setup in order to at least explore the legalities of
19 these of subsidies. And I think with a little bit of
20 saber rattling, you'll see some of these provinces back
21 off fairly quickly because they have a lot at stake. And
22 tires made be only the tip of the iceberg, when you get
23 into it.

24 And I will say that into the economic summit that
25 we participated in, before it went to court, Alberta

1 backed out of those particular markets on a voluntary
2 basis to preclude going to court on it.

3 And I think in the states one of the things that,
4 in our research that we did, the Interstate Commerce
5 Clause part of the Constitution was developed to keep a
6 level playing field among the colonies. And I think ever
7 since then, there's been many, many challenges to that
8 before the Supreme Court, more specifically in the
9 agriculture industry with the berries and what have you,
10 talking about how certain states subsidize commodities or
11 products at the expense of their neighboring states.

12 Again, food for thought, and a possibility as far
13 as having some sort of legal fund to at least look at the
14 legalities of those issues, and whether on a different
15 front, other than bellying up to the bar with subsidies,
16 to keep people on a level playing field, is it possible to
17 keep these subsidies out of the State altogether, because
18 everybody going to subsidies is going to stop subsidies,
19 it's just going to create more and more artificial
20 markets.

21 And I think the real key that everybody hits on
22 is getting people to a level playing field where you let
23 the markets float to the point of equilibrium where people
24 can peak on a one-on-one basis. And I think, obviously,
25 if it's more economical to do California tires because

1 they're produced in the area, less transportation

2 everything else, obviously they would be utilized.

3 That's the end of my comments.

4 Thank you.

5 BOARD MEMBER PAPARIAN: Is our legal counsel

6 still here?

7 I mean, I'll pursue this a little bit further,

8 but I think it would be worth at least doing a quick, very

9 quick, examination of NAFTA to see whether this is a

10 possible effort we might want to pursue. I think, it's a

11 very intriguing suggestion.

12 MR. DUNN: Mark, at the Board meeting in February

13 when you present this, if you have Linda Williams or

14 somebody from legal, you know, just do a short what are

15 our legal options, you know, what if we were to do

16 bounties in the State of California, how do we interfere

17 winter inter-state trade, you know, those sorts of things,

18 just so the Board members have some kind of parameters to

19 operate under in case they wanted to do something with it.

20 DEPUTY DIRECTOR LEARY: Mark, do you have

21 something to offer in terms of documentation to which

22 resulted from your research.

23 MR. HOPE: We do have a paper that was presented

24 at this economic summit that talks about NAFTA and quotes

25 verse and rhyme the different sections of the law about

1 the subsidies. The problem with, and I think why people
2 are reluctant to participate, it's just like in the solid
3 weighs industry, of course, interstate commerce has always
4 come up and taken to the Supreme Court. It really takes a
5 lot of muscle to be able to, and staying power, to follow
6 it all the way through. And nobody wants to make the
7 lawyers rich. And it's a very expensive proposition.

8 But I think interstate commerce classic usually
9 States versus somebody or whatever. And when the states
10 take it on, they usually have the wherewithal and the
11 resources to pursue it more than individual small
12 companies or what have you.

13 The problem I see, in fact, we've got two
14 legislators in session this year, Oregon and Washington,
15 both those Legislatures are looking, although I don't
16 think they will pass, they had come up with a \$3 a tire
17 tax. Their program was to mimic Alberta. And if that
18 starts happening, it's like the genie is out of the bottle
19 with these tire fees and these subsidies and it gets to be
20 a never ending process.

21 So I think somebody needs to bring some common
22 sense to that. Maybe the legal environment could have
23 done that, although, I guess, here last month, we didn't
24 seem to do good a job at that.

25 BOARD MEMBER JONES: Any idea of the number of

1 tires generated in these provinces?

2 MR. HOPE: I mean the good news is is that
3 there's not a whole lot of tires up there. I think Mike
4 Harrington is right, when you look at total tonnage
5 available, they have a limited universe. And it's my
6 understanding that a lot of the cleanups have already
7 occurred, there's very little remediation currently going
8 on, so they're into the new generation, and there's not a
9 lot of population, and especially the western provinces.
10 Mike or the people from Canada might be able to elaborate
11 on that, but you're talking maybe two million, three
12 million people in Alberta and something similar to that
13 perhaps in British Columbia, so a total of six million
14 tires. So that's, what, less than a third of all of
15 California's.

16 BOARD MEMBER JONES: It's still six million tires
17 that displace six million California tires.

18 BOARD MEMBER MEDINA: There was a similar
19 situation that arose at CalTrans in regard to out-of-state
20 steel specifically in regard to the building of the new
21 spend on the Carcinas and the new span on The
22 Martinez-Benicia bridge.

23 One of the legislators requested that all the
24 steel be California steel. And he wanted a California
25 only provision written into legislation. Because of both

1 NAFTA and interstate commerce considerations, that could
2 not be done.

3 The steel that was being purchased for the
4 bridges was coming out of China, and it was again
5 subsidized steel coming out of China. And there was some
6 language that was written that gave some sort of
7 consideration for the use of California steel, but again
8 you could not keep out-of-state steel nor out-of-country
9 steel from being used.

10 But there was extensive, and I know that CalTrans
11 does have something already -- research on that already
12 written up. And there is some language that some
13 Legislator used in regard to giving special consideration
14 to California products.

15 MR. HOPE: Thank you.

16 DEPUTY DIRECTOR LEARY: Thank you.

17 Ms. Lorna Brown.

18 MS. BROWN: I have a slightly different subject I
19 want to speak on on behalf the California Association of
20 Recycling Market Development Zones. And we would just
21 like to urge the Board to assure that SB 876 funds should
22 be used to fund new and expanding tire recycling
23 businesses.

24 That's all.

25 BOARD MEMBER JONES: Under the RMDZ loan program?

1 MS. BROWN: Yes. I know it's prescribed in
2 there, two million the first year, and it goes up to four
3 million in six years. It's something, that putting a
4 limit on it might not cover all the need.

5 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:
6 Do you have any sense of the need? What's the size of the
7 loan and how many you think we should have funds for?

8 MS. BROWN: No, but almost every zone seems to
9 have a tire project in the works. We don't know how many
10 of them will materialize, but they can be very costly most
11 of them are looking for a large amount of funds.

12 BOARD MEMBER JONES: We've got an item coming up
13 in our board meeting this month talking about RMDZ loans
14 and some of the options that we have. If the RMDZ loan
15 zone administrators could kind of coordinate and give us
16 an idea of the types and the numbers of tire projects that
17 may be out there over the next year or two, that would
18 give the Board a little more information when we get down
19 to how we're going to tailor that program and the
20 decisions we're going to have to make. That would be
21 helpful information.

22 MS. BROWN: Okay.

23 DEPUTY DIRECTOR LEARY: Okay. Mr. Dan Swanson.

24 MR. SWANSON: Members of the Board, staff, ladies
25 and gentlemen. I'm Dan Swanson. I'm the general manager

1 of First Nation Recovery Incorporated, a tire processing
2 facility that is solely owned by the Cabazon Band of
3 Mission Indians located in Mecca.

4 I'm the new kid on the block. And I've sat here
5 today and heard a lot about everything to do with tires.
6 I've been in the tire processing recycling business for
7 about ten years, so I'm quite familiar with tire recycling
8 and programs that are in effect in some of the other
9 states in the country.

10 I believe that some type of subsidy is required
11 to maintain the operation of the processors that are
12 located in California, not necessarily just the crum
13 rubber producers, but a subsidy for anybody that uses
14 California tires to go to an end user or an end product
15 width, whether it be through a pyrolysis, a civil
16 engineering project, crum rubber stamped goods material or
17 products. This threat that we're seeing come from Canada
18 is real and I believe can have a serious effect on the
19 California tires.

20 All of the California tires right now are not
21 being recycled. Anything that infringes upon the
22 California tire market takes capacity away from California
23 to recycle tires, and I think the purpose of this whole
24 thing is to recycle or take to an end-use the tires that
25 are in California or are generated in California and that

1 California somehow has to come up with a viable end use
2 for rather than just putting in a landfill.

3 If it's putting it in a landfill, as a civil
4 engineering project, as part of leachate liner or daily
5 cover, that is use. I don't agree that's a top-end use,
6 and I believe somebody said something about the hierarchy
7 of tire us. In my estimation, that's on the very bottom
8 end.

9 I wish every tire could be made to where it could
10 just be used over and over and over again, and that was
11 one of the things that we addressed earlier, looking at a
12 longer life for tires. Tire manufacturers have been
13 making tires tougher for a hundred years. People that
14 aren't in the business don't really realize how tough it
15 is to tear up a tire right now to make something else out
16 of it.

17 You know, if you could make a tire that could
18 last forever, that would be great, because soon or later,
19 through attrition, there wouldn't be any tires to get rid
20 of. You know it's all about the environment and recycling
21 and using materials that has been used to use in place of
22 natural resources that haven't been used to fresh.

23 Other programs in some of the other states, some
24 have worked some have failed. A program that in another
25 State right now that seems to be working right well is

1 that they do pay a subsidy, but they only pay it to the
2 people that process a recycled tire or a scrap tire into a
3 product and are only paid that subsidy when that product
4 goes out of that producer's gate to an end-use market.
5 That saves people getting a lot of subsidy money just for
6 doing something in one place and running off and leaving
7 it.

8 The rubber asphalt market, in my opinion, right
9 now, is the largest market for a viable use of recycled
10 tires. I think that market is only expanding and getting
11 larger. And, you know, if we can recycle all of the
12 California tires that are in this state, then I think all
13 of us have done our jobs and done it right well. And I
14 don't think we need to let that get out of our focus. Our
15 focus is to recycle California's tires in an economical
16 way that they can be put to a beneficial use.

17 Any questions?

18 DEPUTY DIRECTOR LEARY: Thank you.

19 Are there any more speakers on Element 4?

20 Let's take a couple more and then I have to give
21 our court reporter a chance to stretch.

22 MR. LARSON: George Larson representing
23 SmartTech --

24 (Laughter.)

25 MR. LARSON: -- a pyrolysis technology, thank

1 you.

2 I'm just going to follow up on the brief comments
3 I made when we discussed topic number three, wherein there
4 was an allocation of \$50,000 in the first year subject to
5 some consideration for future funding to update and do an
6 analysis of pyrolysis.

7 And as I look through the current discussion on
8 market development and new technology, there really isn't
9 any allocation of funds or attention attributed to
10 pyrolysis or, in fact, any other technological solutions
11 to the management and processing of tires, where we have
12 combined between Item three -- or issue three and issue
13 four, we have \$8 million for civil engineering, which
14 certainly is a growing and new area that needs to be
15 developed, but that's \$8 million versus zero; playground
16 mats two and a half million dollars; track and other
17 recreational surfaces \$5 million; product
18 commercialization \$5 million.

19 And, you know, it, again, to reflect back in my
20 previous comment about setting policies, these will be the
21 policies that this board is setting for the next five
22 years. And obviously if that's the direction the Board
23 wants to go, then that will be your choice. I think to
24 leave some alternative or some option to be able to
25 support as other legitimate interests and concerns have

1 been brought to your attention today for support, the
2 ability to support pyrolysis, distillation, gasification
3 and some of the other technical, and it says technology in
4 the title, but it doesn't reflect it in the allocation of
5 funds, that I'd like to see this issue at least discussed
6 further for possible funding.

7 Thank you.

8 DEPUTY DIRECTOR LEARY: Other comments?

9 Barry.

10 MR. TAKALLOU: Just a couple of comments. I saw
11 interest from board members to tracking down the rubber
12 asphalt projects in California. Our company we do that.
13 Our database manager could that on a daily basis. So we'd
14 be happy to offer that on a weekly basis, just E-mail it
15 to the Waste Management Board. We can track all of the
16 projects we are bidding.

17 Item 2, if anybody's is interested, I have the
18 province of British Columbia tire program. This is the
19 entire tire program. And the crum rubber definition for
20 British Columbia is 5/16th inch, which is in inches .31
21 inch. It's bigger than quarter of an inch, so the steel
22 is meeting the domain of SB 876.

23 And we've got the copy of 5/16th.

24 BOARD MEMBER JONES: I think we'd like to get a
25 copy of that. We just may not have a copy machine. We'll

1 have to get it and give it back to you.

2 DEPUTY DIRECTOR LEARY: Is that from a web site?

3 MR. TAKALLOU: No, that's an actual hard copy.

4 We can give it to you.

5 BOARD MEMBER JONES: Can we make it part of the

6 record and then we'll have a copy.

7 If it's okay we'll get it back to you.

8 DEPUTY DIRECTOR LEARY: Okay. I'd like to

9 suggest we bring this discussion of program element number

10 4 to an end, take a ten-minute stretch break and reconvene

11 at about 3:20 for our last element.

12 (Thereupon a brief recess was taken.)

13 DEPUTY DIRECTOR LEARY: If we can get rolling one

14 more time. We have one more program element to cover and

15 I don't think that will generate quite the conversation as

16 the last program element generated.

17 Program element number 5 is the waste tire hauler

18 manifest program. And Martha will run us through it one

19 more time.

20 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

21 Okay, the manifest system. This is one we're still

22 wrestling with. Its going to probably take quite a bit of

23 time to actually define the appearance of the manifest and

24 the process for turning it in. So if folks have comments

25 and suggestions, we're very happy to hear them.

1 What we are charged with doing is developing a
2 manifest system that allows the generator, the hauler and
3 the end-use to submit copies from their end on each load
4 of tires that is shipped. And we're supposed to develop a
5 mechanism to allow that to be done electronically at some
6 point.

7 Unfortunately, this being the State, any such
8 form, and particularly such a large electronic database
9 has to go through several lengthy processes. We'll have
10 to do a Feasibility Study Report on the electronic
11 database and then a regulations package on the actual
12 appearance, shape, content of the form. So that's going
13 to put off the actual use of the new form for, you know,
14 six to 12 months.

15 In the mean time we have in the plan the steps
16 that we need to follow to develop the plan and a very,
17 very rough guess of what we think it's going to cost.

18 This is based a bit on our current program where
19 we are dealing with about 800 registered haulers and
20 Approximately 50,000 manifests being used each year,
21 between 50,000 and 100,000 manifests being used each year.
22 Obviously, scaling up to the new program, where we may
23 have 10,000 or more generators' manifests that need to go
24 to the generator hauler and end-user and then the whole
25 compilation of that. It's going to be a huge leap

1 upwards. So we've put some very rough sketchy ideas down
2 and we are welcoming comments, please?

3 No one?

4 You're all happy with it, just the way it is.

5 BOARD MEMBER PAPARIAN: Can I just ask a
6 clarifying question. When you say, you know, an
7 electronic version, do you mean instantaneous information
8 like, you know, when UPS delivers at my door and sends
9 their thing off in their computer?

10 DEPUTY DIRECTOR LEARY: I think Board Member
11 Paparian, we're envisioning two things. We're envisioning
12 a database, electronic database just an in-house for which
13 we will receive manifests, input the data from the
14 manifests into the system and then generate the kind of
15 reports we all envision to track the flow of tires
16 throughout the State on a three months hence type of
17 system.

18 To second phase is kind of the more Star Wars
19 approach as you're suggesting. Star Wars only in the
20 sense that in relation to tires --

21 BOARD MEMBER JONES: Do me a favor, Mark, don't
22 refer to it as Star Wars.

23 (Laughter.)

24 DEPUTY DIRECTOR LEARY: Okay. Scratch that
25 remark there Mr. Court Reporter.

1 BOARD MEMBER PAPARIAN: No, no. Highlight it.

2 DEPUTY DIRECTOR LEARY: Anyway, a UPS like
3 system, where we can track in RealTime the flow of tires.
4 That, obviously, is the second generation. We need to get
5 to basics in place first, because, as everyone us aware,
6 the manifests don't even come to us currently, so there's
7 going to be a system by which we receive the manifests,
8 input the data, generate the reports we're looking for,
9 and then move to the next generation, which will be
10 something like the UPS system, we hope. But that is a
11 goal that's down the road.

12 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:
13 And it's a goal that a few of the haulers, our registered
14 haulers, have requested. The larger operations seem to
15 feel it would be much more cost effective if they could
16 Merely enter this data to the Board, you know, via
17 computer or E-mail or something and not have to mail very
18 thick packages of manifests on a regular basis.

19 BOARD MEMBER PAPARIAN: E-mailing is sort of the
20 in between?

21 DEPUTY DIRECTOR LEARY: Yeah.

22 BOARD MEMBER PAPARIAN: Where it's after the
23 fact, if you're E-mailing a big report, as opposed to
24 instantaneous information.

25 BOARD MEMBER JONES: I think that we have an

1 opportunity here. This is obviously something that's near
2 and dear to my heart. It's obviously not shared by
3 everybody. Martha.

4 (Laughter.)

5 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:
6 Drowning in the paperwork.

7 BOARD MEMBER JONES: But I look at these things
8 as opportunities not obstacles. And I think that one of
9 the things that we need to do, and I think some of the
10 questions that came up today about the number of tires in
11 tire piles, where the tires are coming from, where are the
12 end-users all are part of the reason of why this tire
13 manifest system is suggested in the form that it is, which
14 puts the onus on the generator and the hauler and the
15 end-use, so we can track from cradle to grave where those
16 tires are going.

17 And I think that, as part of the feasibility
18 study, and I will tell you that we started working
19 internally with Waste Board staff both in the computer
20 division and the Special Waste Division to try to figure
21 out or try to look at what exactly would be required at
22 the State level to start putting this together.

23 And we've got to do a feasibility study, which
24 are going to include options like the UPS type system,
25 what's that going to cost. But I think before you do

1 that, you've got some big haulers in the room that come to
2 all the stakeholder meetings, that haul, if you put all
3 their numbers together, probably 80 percent of the tires
4 in the State of California, 90 percent of the tires in the
5 State of California, what is that worth to us to get that
6 information in an easy format for them, as well as an
7 accurate format for us, that's not real labor intensive.

8 I don't know where that's going to come out, but
9 we're going to obviously need a lot of input from all the
10 different stakeholders groups to try to do this. And I
11 think Mark's right that we've to do this in two or three
12 steps to get to a position where when we go in front of
13 the Legislature in two years, we're able to say there are
14 this many tires generated in the State of California.
15 They move to these end-users, and we have effectively
16 managed 98 percent of the tire flow. And that's a number
17 I throw out just so that nobody thinks I'm crazy, but that
18 I am optimistic.

19 That we understand where those tires are, because
20 it's going to better help all this board in allocation of
21 dollars and in allocation of need. At the same time,
22 we've got to be careful to make sure that information that
23 is proprietary is kept proprietary. We cannot put
24 together a system that affords competitors to get customer
25 lists. That's not the intent of this law.

1 You know, I mean we've got a lot of things that
2 we're going to need input from the stakeholders to make
3 sure that we can protect their business and still get us
4 the information that we need, so that we cannot only
5 direct our enforcement activity, but so that we can direct
6 our market development activity.

7 So while the piles of papers maybe this high on a
8 weekly basis, it is better than tire piles. And if we
9 don't have enough money in this budget to figure out how
10 to track tires in the flow of commerce in the State of
11 California, then we've got big problems.

12 I think this is going to be a great tool and I
13 think that we're just going to need a lot of help to try
14 to figure out what those pieces are going to look like.

15 DEPUTY DIRECTOR LEARY: Any other comments?

16 A couple of speakers. I have one in writing
17 first for the gentleman who raised your hands.

18 Ms. Laura Wright, City of Pittsburg.

19 MS. WRIGHT: I have one question for Mark. The
20 8,000 to 10,000 identified estimated generators, what
21 was -- who were these generators that you were referring
22 to in this report?

23 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:
24 That was mostly the car and tire dealers. We realize
25 there are probably additional fleet management and other

1 such operations that are also generators, but we don't yet
2 have a handle on that.

3 MS. WRIGHT: Because I think it's grossly,
4 grossly underestimated. And the reason -- what concerns
5 me, and the reason I'm bringing it up, is being -- I'm
6 sort of wearing my enforcement hat right now. As I
7 mentioned previously, I've had to go into many locations
8 to do enforcement activities. Under 500 tires is not
9 really addressing the regulations. That's where a lot of
10 our problems and issues rely.

11 If it happens to be, you know, in the autobody
12 shops and whatnot, where there's 200 or 300 tires stacked.
13 Well, I'll try to get them to, you know, move out the
14 tires. They'll say, oh, I'm reusing those and whatnot.
15 Low and behold as soon our inspection is done, we'll find
16 a tire pile over someplace else very, you know -- we're
17 trying to figure out a way to track and deal with those
18 tires so that we can enforce and do that.

19 The reason I want my ordinance is so I can
20 address this issues, because as soon as I have it in my,
21 ordinance, those under 500 tire dealers, autobody shops
22 and small dismantlers in my city, I'm going to be after
23 them saying, no, you will have a manifest. You will have
24 to do this. But my ordinance is in effect, you know, I'm
25 just handling one little city. We're talking the entire

1 State of California where there's tons of tires with this
2 same similar problem. Those were those little small tire
3 piles, you know 10, 15 tires 20 tires here, those start
4 adding up very quickly for a jurisdiction to manage.

5 So that's where partially wearing my hat is that
6 under 500 and the manifest system, I don't think we have
7 enough people incorporated into that for training
8 purposes. And I've seen those manifests. They are not
9 properly filled out. They are not managed effectively.
10 They just toss it here and there.

11 I know it's a lot of extra work. I know through
12 the Department Toxic Substances Control, we use the
13 Uniform Hazardous Waste. We complete those that are city
14 and return our little portion to the State. They take it.
15 It goes to the destination. They turn it in and it gets
16 matched up, so that they can document and track, and then
17 we file reports to make sure everything is copasetic and
18 they are going to the proper location.

19 And I realize it is a lot of paperwork, but at
20 the same tie when we're trying to achieve them to go to
21 properly locations, to have them properly managed, to make
22 sure that we're, you know, eliminating the illegal
23 dumping, that was, you know, a large part of the Uniform
24 Manifest System.

25 So I would like to, you know, see that part

1 expanded, more training to even, you know, not just
2 fleets. I mean, my tire dealers their paperwork is
3 immaculate, because they work with large fleets. They're
4 very well trained. They're very well -- managing their
5 trier.

6 They can tell me exactly -- I've gone into two
7 locations, they can say that went there. I mean, they
8 have it down impeccably and I commend them for that. But
9 where I'm concerned are the smaller uneducated locations
10 that are dealing with these tires, so that they aren't
11 ending up at our culverts down our streets.

12 BOARD MEMBER JONES: As part of this program gets
13 developed and as Code enforcement or LEA or whatever, and
14 you see a pile of 200 tires in your inspection and you
15 notify that operator that, you know, when he gets -- he or
16 she gets rid of those tires, would it be helpful if we had
17 an explanation of what is required on the tire manifest
18 system that code enforce men people could give, because
19 the way this system is supposed to work, is that the
20 person that is the generator that has those 200 tires to
21 get rid of. In talking with the haulers, we know that we
22 probably can't get forms to every generator, because we
23 will miss some. So the haulers will have the opportunity
24 to provide to manifests.

25 To generator is going to have to put the

1 medallion number of the vehicle that's using it, as well
2 as the license number and the number of tires as well as
3 the date and a few other things. They keep a copy and
4 they send a copy to the Waste Board.

5 If you were to go in after your inspection and
6 there were no tires there, then that person should have a
7 generator -- should have a generator slip that they
8 started this process. If they didn't have that sheet,
9 then logically you ask them where the tires went, because
10 there will be requirements to identify who the hauler is.

11 And one of the reasons that we include the hauler
12 number is so that that person if Gerry is charging
13 whatever he's charging 20 cents, I don't know the pricing,
14 20 cents to pick it up and somebody comes in and offers to
15 do it for ten, and hauls it away and dumps it down a
16 ravine, we need to be able to catch that person.

17 Now, we may not be able to catch that; activity,
18 but we'll know that the generator did not fill out that
19 form or he filled it out with a phony medallion number.
20 If it's got the listen number, we can find out who rented
21 that truck or who owned that truck. It's the only way
22 that we can focus enforcement to check, you know.

23 MS. WRIGHT: Right. And I think that we can curb
24 some of that illegal dumping and that type of hauling
25 system under the uniform manifest -- you know, if we have

1 a stronger one, because if you look at, you know, the DTSC
2 one for hazardous waste and, you know, your sign -- when
3 you sign under perjury, the generator is ultimately always
4 responsible. The hauler is not. They might as a courtesy
5 provide that manifest and may they might fill it out.

6 But the law is very specific, your are certifying
7 that everything on that manifest is clear. If the hauler
8 makes his mistake, you have to catch it and make that
9 correction, otherwise, you know, it ultimately goes back
10 on you. So, I mean, in California no, we aren't familiar
11 with that. It may not pass to be as stringent. But if we
12 don't have something to the effect of what you're saying,
13 you know, who's to say that other person is going to come
14 in, take the tires and, you know, that's where some of our
15 problems are with the illegal dumping or our favorite,
16 which is the you call us 800 haul and we'll take your
17 tires and mix it in with trash, which gets very difficult
18 for us to manage as well.

19 DEPUTY DIRECTOR LEARY: Mr. Larson.

20 MR. LARSON: It's twenty before, it must be Lakin
21 Tire time. I'm here representing Lakin Tire this time.

22 (Laughter.)

23 MR. LARSON: This is probably the most
24 significant issue -- certainly the Most significant issue
25 that Lakin is contemplating to have to change operations

1 to comply with. And I'll certainly preface our statement
2 that we've been fully involved in this process and been a
3 hundred percent supportive of a more rigorous manifesting
4 system if, for no other reason, than we allocate currently
5 a lot of time resources and money to doing it right and
6 submitting the forms, maintaining our forms in our office
7 under the current base statute.

8 And we see a lot of other people out there who
9 aren't doing as good a job, so we'd like to see at least
10 everyone operating by the same set of rules.

11 We do have a couple of issues, one of which Mr.
12 Jones already took care of. And I'll just, for the
13 record, say that the propriety of the information to be
14 gathered in manifests is of critical importance not only
15 to us but to our clients. Our clients have competitors.
16 If it is a Sears Auto Center, and there is a competitor
17 across the street, we don't want someone being able to
18 access a statewide database to see how many tires were
19 sold at a competitor's outlet. And I think that's pretty
20 fundamental and well understood.

21 And I know there are ways to shield and protect
22 information from being disseminated to the public. We at
23 Lakin are really most interested in being, I'll say, in
24 the forefront on the electronic reporting, because we see
25 it not only as a service and an advantage to you the

1 regulators to gather the information that for the first
2 time in the history of waste tire legislation and
3 Regulation in California, you'll know with a great deal of
4 accuracy how many tires are out there. It's been educated
5 guesses at best up till now.

6 We'd like to help make that happen. We do handle
7 12 million tires last year, and I expect that won't be a
8 number that will be decreasing. We have been in
9 communications with other major, what I'll call, major
10 tire haulers. And I think certainly the 80 percent if not
11 close to the 90 percent amongst the major five haulers in
12 the State, we could get you there.

13 We did have some reservations, if you will, about
14 the generator based initiation of the manifest, but,
15 again, that's the decision the way the legislation went,
16 but we will assist our generators who are the retail sales
17 points of tires, Big O's, CostCos, Good Year, BF Goodrich,
18 Sears Auto Centers, et cetera. We will still assist them
19 as we are under contract to help protect their interests
20 too.

21 The point that's brought up by the LEA from
22 Pittsburg, I think, you do have a major challenge. I
23 guess I'm not here to suggest a solution to that, but it
24 seems to me that's almost as much an enforcement issue as
25 it is a manifesting issue, so those two et kind of

1 mingled. You can get us off the table, I mean, quickly.

2 And that leads to the next issue as a timing for
3 when the manifest system is implemented. And in a
4 previous agenda item discussed, I believe, last month,
5 there was indication that you would develop the hard copy
6 records for the new manifesting system first in the year
7 2001/2002. And that in a subsequent year, you would
8 integrate or bring into play the electronic reporting
9 system. I don't know if that's still the plan.

10 I commented then and I'll reiterate now that it
11 would be very helpful to us in the field if you can, at
12 least for what you do for the hard copy changes to the
13 manifest system, have it in mind how that will integrate
14 into the electronic reporting system.

15 We would like, UPS is a good example, I called it
16 the AVIS example, where we would have our truck route
17 people go around and be able to actually assign a code to
18 a particular outlet, record the time, the date, the number
19 of tires and that will electronically be fed back into our
20 company Lakin Tire West for our purposes of maintaining
21 business records and efficiencies for us. And then we
22 would like for that to integrate into whatever software
23 program or reporting system that is here at the State.

24 And we, again, are volunteering, as we have been
25 supportive of this all along, to have Lakin be in the

1 forefront of that ultimate goal of electronic reporting.

2 Last point I'd like to make has to do with
3 funding. The amount of work -- you're going to do a
4 feasibility study report, and I believe we have a great
5 appreciation for how that can help and hinder the ability
6 of a State agency to move forward, particularly in the
7 electronic and computing area. But you have to get that
8 done, we recognize -- and that's going to probably spell
9 out with some more clarity what it's going to cost you to
10 implement your system.

11 I just want to reiterate, again, that it's going
12 to be a very costly process on our end to convert to an
13 electronic reporting system compatible with yours or even
14 if it was independent, but to make it compatible with
15 yours. And it's our position that we worked hard last
16 year in the legislative process, although we failed in
17 getting specific reference of that financial assistance
18 out for those in the field.

19 I feel it's a justified request and that in the
20 initial and out years there is an amount of money that
21 looks like it could be allocated towards that purpose.
22 And I just want to make that a very high priority on
23 behalf of Lakin Tire.

24 Thank you.

25 BOARD MEMBER JONES: For the benefit of the Board

1 members, I think that we covered this thing. But when we
2 discussed with a bunch of the different haulers at the
3 agency and with the Secretary, we talked about a proposal
4 that had come forward that was so much a tire. We didn't
5 agree that that was probably the way to do it.

6 But it was talked about that when we get into
7 this electronic age that there would be, you know, an
8 opportunity to work together to try to figure out how to
9 minimize expense and get accuracy sea and those types of
10 technology changes as long as the bottomline for both
11 groups didn't become so costly that it couldn't happen.

12 There's been some discussion at the agency and at
13 the auto level of the possibility of helping out on that.
14 So we may have to look at that in order just to see if it
15 shouldn't have little bit more room.

16 DEPUTY DIRECTOR LEARY: Terry.

17 MR. LEVEILLE: Terry Leveille representing
18 northern and southern California Tire Dealers
19 Associations. We welcome this new manifest system
20 proposal. And most of our members are smaller,
21 independent, nonfranchised dealers, tire retailers and the
22 like. And we will, you know, assist in any way possible.
23 We want to weed out the bad apples. We feel it's unfair
24 labor, unfair costs of some dealers who deal with
25 unlicensed haulers, and so we want this thing to work.

1 And we will help you with input on developing the
2 manifest. We will help you with our news letters to
3 inform our membership of the new manifest system that's
4 coming about, and we would like down the line, as we look
5 towards the electronic dissemination of material from the
6 dealerships, from the retailers up to Sacramento, we would
7 like to look at some types of financial assistance. Most
8 of these are small guys that don't have a lot of, in many
9 cases, don't have -- aren't even computerized at this
10 point.

11 But I'm sure they would love to be, especially in
12 lieu of having to send up sheets of paper every quarter.
13 So we look forward to working with you, and we, down the
14 line, we look forward to some program in which, you know,
15 it would facilitate the electronics initiative and
16 reports.

17 DEPUTY DIRECTOR LEARY: Terry, let me as, maybe
18 you and George, what is happening in the meantime? I
19 mean, what is happening in this void, 876 is the law of
20 the land now. Obviously we don't have a new manifest
21 system up and running. How are the dealers, how are the
22 haulers responding to that, somewhat of a, vacuum? Are
23 they complying with the law as it has in the past or is
24 there anything else?

25 MR. LEVEILLE: I think the Associations executive

1 directors have both been very active in informing members
2 of abiding by the laws on the manifest system. I mean,
3 I'm sure that there are probably a few bad apples there,
4 but for the most part the guys and the ladies that joined
5 these associations are pretty into what's going on. They
6 abide by the rules. They abide by the rules and not say
7 that the dollar fee or that their recycling disposal fees
8 are State mandated, which I know has been an issue in some
9 cases.

10 These are not association people. Those are wild
11 catters.

12 (Laughter.)

13 MR. LEVEILLE: But for the most part, they're
14 just continuing as they have been with the old manifests.
15 And I would like to, you know, I mean I plan to convey to
16 them, you know, about the new things. I hope that, you
17 know, you can use our input in developing the forms itself
18 and working with the associations to disseminate the
19 information to as many dealers as possible.

20 DEPUTY DIRECTOR LEARY: Thank you.

21 Denise Kennedy.

22 MS. KENNEDY: I'm Denise Kennedy with Waste
23 Recovery West. We're one of the top five large haulers
24 and end-users in California. We do support the throughput
25 on manifests. I do think it will be a good idea. Our

1 company does, the concern we do have of course is the
2 amount of time when we get into the electronics. We don't
3 have the manpower, the person, the labor power, the
4 manpower to be able to support that. So I do see where
5 there would be some kind of a fund required to pay for
6 that, based on the number of tires and manifests we
7 produce a day.

8 But I also just wanted to say that I am thankful
9 that we're doing this. And I did have a point and all of
10 a sudden I just lost it.

11 Just a second here, because -- boy, you know
12 what -- oh, enforcement. That was my third one on the
13 point. My biggest concern about this is that if we don't
14 have enforcement for this manifest system, the manifest
15 system isn't really going to work for that other 15 or 5
16 percent or whatever the percent is. Those of us that are
17 larger are already doing all the work. Yes, we are about
18 85 percent of the tires that are being collected, but it's
19 that other amount, and so how are we going to enforce it.

20 And that's all I want to just put up. Let's not
21 forget the enforcement, because manifest is just a piece
22 of paper. And, yes, it will help with data. That's
23 great. But we still have the enforcement problem and
24 there are those that are illegally hauling out there
25 today.

1 So thank you.

2 MS. WRIGHT: Just to follow up on a couple of
3 points made by -- it is going to -- I notice there are a
4 lot of tire haulers responding, but there are the
5 generators. A lot of these places are small locations and
6 the funding to do an electronic version would be probably
7 very difficult for them to manage the haulers, whatnot,
8 but we have now mandated that it goes back all to the
9 generator.

10 The other issue is enforcement when we come in to
11 do inspections, being able to have, you know, copies to
12 look at or somehow to access the records to make sure that
13 they're being managed. But another part I was thinking
14 about when I was thinking of the Uniform Hazardous Waste
15 System through DTSC is we talk about tracking and whatnot,
16 DTSC has a method of wherever they get to their ultimate
17 disposal there's a code to say how the material was
18 managed, whether it was landfill, whether it was recycled,
19 whether it was incinerated or whatnot. And that would be
20 an excellent opportunity for us to adopt something to that
21 manner, so that we can see what is happening to our tires
22 here in California, are they being exported, are they
23 being, you know, crum rubber or whatever.

24 BOARD MEMBER JONES: The way that we've talked
25 about and it's not the final development, but it was sort

1 of the sample that we gave folks, a generator's obligation
2 after they write this manifest and start this manifest,
3 would be to keep a copy and then to mail in a copy. And
4 we'd actually at one point talked about a self-addressed
5 sheet there, you know, under a bulk system where that
6 material could get mailed to us immediately.

7 The second piece is the hauler. When the hauler
8 gets to the end-user, they put down -- you know, because
9 this will say the medallion, number of tires, license
10 number, signature, and then the hauler will right in who
11 he delivered the tires to and sign it.

12 The end user, and I'll bring it up, because
13 there's at least six California crum rubber as well as one
14 Canadian crum rubber manufacturer in the audience, the
15 end-users are going to write in the medallion number of
16 the truck that delivered the tires, to make sure that it
17 was a legal hauler, and then we know those trailers aren't
18 going to get emptied that day, so they'll fill in how many
19 tires were emptied from that, whether it's weight or tire
20 equivalent.

21 And I think that was basically it. And they'll
22 send that in, so all three copies get sent in. And the
23 reason that we're doing it that way, the generator
24 initiates it, then the hauler and then the end-user. And
25 the end-user they'll be the boxes were at the bottom, you

1 know, do you use it for crum, TDF, engineered, shreds,
2 ADC, landfill, whatever. That they would fill in what
3 that ultimate end use was.

4 If, through BOE, who collector our tire fees, we
5 see that we've got a group of tire dealers that pay fees
6 on tires that they're bringing into their inventory for
7 sale, and yet never generated a tire manifest, then we're
8 able to direct our enforcement in that direction.

9 And so we've tried to minimize the amount of
10 information, although make it as important as we can to
11 deal with all those things, but end use was one of them.
12 And it's important so that we have an idea of where, you
13 know, where we need to focus our market development
14 activities, as well as being able to help with the
15 enforcement.

16 So I'd like to get some input into if we were to
17 have the generator had the option of either doing
18 electronically or folding it and sending it in. I mean,
19 we need to get a little idea of -- and the tire hauler's
20 have been giving us some help. A lot of them are on a
21 route where they're just picking up what's ever in the
22 enclosure on certain route days. We need to figure out if
23 we need to put together another manifest that may be able
24 to deal with multiple pick-ups, so that we get the
25 information, that they have a record, but it's not as

1 cumbersome.

2 I mean, those are a couple of the issues that we
3 need some stakeholder input into as far as how we're going
4 to deal with that. But the end-user should have it pretty
5 simple, I would hope.

6 DEPUTY DIRECTOR LEARY: Are there any other
7 comments on this program element?

8 We have a portion on the agenda for kind of open
9 discussion, are there anything board members would like to
10 add or you the public would like to add in terms of
11 closing or that you felt has been left uncovered?

12 Why don't you go ahead and just step to the mike
13 and introduce yourself and go from there.

14 MS. BROWN: Lorna Brown from Contra Costa County.
15 I wanted to, on the source reduction program, bring in the
16 tire industry, retail industry. They can help distribute
17 maintenance information. We've done that successfully in
18 Contra Costa County.

19 We provide a glove box size piece of information,
20 and I think it would be appropriate to do that with the
21 tire industry.

22 DEPUTY DIRECTOR LEARY: Absolutely. Thank you.

23 MR. de ROCO: Gerry de Roco, Glenn County. I
24 have a question that I brought up earlier to Mark and I
25 would like to bring it to the attention of the Board.

1 In using engineered projects, tire bales and
2 things, that we've been kind of told by the Corps of
3 Engineers that we don't use tire bales anywhere near
4 water. And I think that's not a true statement, but
5 that's we just are doing an emergency levee in December
6 and we pulled out 800 bales rather than putting them in
7 the levee.

8 And I would like some clarification. Mark said
9 there's nothing in any legislation or Regulation about
10 tires near water.

11 And another concern I have is in this manifesting
12 operation and the operation of the landfill. When the
13 tires come in on these self-haul amnesty days that there
14 will be, do we issue a manifest or do we count the tires
15 when they come in and as the receiver, I guess the
16 destination, do we -- do we do the manifest, because there
17 wouldn't be a manifest necessarily for people bringing in
18 15 or 20 or 30 tires?

19 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:
20 You would have to manifest the tires leaving the site to
21 whatever they're processed their dispose. But obviously
22 the individuals who are bringing up to nine tires each or
23 if they have the exemption from the entity conducting the
24 amnesty day, might have more than nine, they're not going
25 to have a manifest. So we would look for a manifest there

1 as the generator.

2 MR. de ROCO: You would want a manifest from the
3 landfill as the receiver then at the destination.

4 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:
5 Are you saying the collection occurs at the landfill?

6 MR. de ROCO: Yes.

7 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:
8 And they're not going anywhere, they're just on the site?

9 MR. de ROCO: Right, in bales.

10 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:
11 Just have good disposal records.

12 MR. de ROCO: Well, okay. Then we could go BY
13 the ton or by the total count not each individual vehicle?

14 We have a free dump day. I may have 500 vehicles
15 lined up with tires. And if we have to sit there and
16 count each tire out of each one rather than --

17 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:
18 And you have a scale, so you can do tonnage?

19 MR. de ROCO: Yes.

20 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART: I
21 would imagine that would be adequate.

22 MR. de ROCO: Would that satisfy the reporting
23 requirements by the ton?

24 BOARD MEMBER JONES: I would think so. I think
25 staff can develop it and take it into consideration.

1 MR. dE ROCO: There's such a variation between
2 PTEs when you count passenger car tires against implement
3 tires and factory tires, which we get a lot of, you can't
4 really easily convert them on the spot, we'd rather go by
5 the ton.

6 MR. WINTERS: I want to talk about the tires and
7 water issue.

8 We ran into this problem many years ago.

9 DEPUTY DIRECTOR LEARY: Would you identify
10 yourself for the court reporter.

11 MR. WINTERS: Robert Winters. Going back eight
12 years, we had a fire and it burned up a bunch of rubber.
13 It was all in crum form or in industrial scrap form. In
14 any case, we wound up with well over two million pounds of
15 debris at the end of the fire.

16 The local agency that handles hazardous waste was
17 all over us, because he said there's zinc in rubber and
18 zinc is going to leach into the water that drains into the
19 storm drains, into the LA River and ultimately into the
20 Pacific Ocean.

21 We fought with them for two years and ultimately
22 we prevailed. And we have a letter which we will gladly
23 supply to anyone that needs it including the Board, from
24 the Southern California Water District. They made tests
25 and a determination that our material, even though it was

1 burned material, was no more hazardous than regular tire
2 shreds, and that they didn't consider tire shreds, even
3 though they contain zinc, to be a hazardous material.

4 That debris, instead of going to a haz facility
5 which would have broken our company, went to a standard
6 landfill permitted to take shreds or our company wouldn't
7 be here today.

8 Anybody that wants a copy of that letter just let
9 me know.

10 MR. HOEH: Denny Hoeh with Stanislaus County.
11 And one of the issues that hasn't been addressed in great
12 detail is that of public education. Many of the elements
13 have components that talk about some education, but I
14 believe that we all understand that not one agency is
15 going to be able to follow up and to find everybody or
16 identify all illegal activities.

17 I think we need to help of our citizens, our
18 neighbors, our communities. And right now they're very
19 confused on how tires are legally or illegally disposed
20 of. And I think if we do have a public education program
21 where they're able to have something or some information
22 that they can use, that it would be able to help not only
23 the State, but also the local agencies as well.

24 DEPUTY DIRECTOR LEARY: Thank you.

25 MS. WRIGHT: Laura Wright, City of Pittsburg. I

1 wanted to go back to a statement that Mr. Jones had made
2 with regards to keeping in line, where we are going in the
3 next five years with some of this. And one of the things
4 I wanted to go back with was enforcement, when we were
5 talking about the development of local ordinances for
6 people to adopt.

7 Are some of the issues with regards to that, do
8 you want local agencies, if we do become entities that do
9 the local enforcement on the local level to help, you
10 know, make sure that the regulations are met, that we are
11 inspecting these locations, and ensuring that manifests
12 are in properly, you know, filled out correctly.

13 Are we going to go to a situation where you want
14 the local agencies to be self sufficient in this. And the
15 reason I bring this up is because we have been working on
16 the ordinance of working with State staff on this. One of
17 the issues that came up was the issue regarding designated
18 versus delegated, a small little term within the
19 regulations, but it does effect how funding stays on a
20 local level so that we continue to fund it in our
21 enforcement program, otherwise we'll have to constantly be
22 coming back for grants to help keep the enforcement going
23 within our jurisdiction.

24 So as we do develop the local ordinance and
25 whatnot, a bit of a clarification, as well as the

1 long-term aspects of where we're going to make sure that
2 we're doing, you know, on a local level.

3 DEPUTY DIRECTOR LEARY: Great. Thank you.

4 Going once. Going twice.

5 Let's say thank you very much on behalf of the
6 Board staff.

7 Oh, I'm sorry. Board Member Paparian.

8 BOARD MEMBER PAPARIAN: I was just going to,
9 picking up on that last comment, I think it is -- Mr.
10 Jones mentioned it this morning, I think it is important
11 as this report is put together to clearly state what our
12 five-year goals are, so that, you know, if we were to look
13 back in five years, we'd have some big way to measure,
14 whether we actually succeeded in what we intended do or
15 not.

16 I think some of the measurement items will help
17 get to that, but I think there may be some more
18 over-arching goes as well that we'll want to consider as
19 the report is being developed.

20 And I know that I'm certainly looking forward to
21 working with the staff and with stakeholders in crafting
22 this report and helping to make the program as successful
23 as it can be.

24 DEPUTY DIRECTOR LEARY: Thank you.

25 BOARD MEMBER MEDINA: I had one area that was not

1 covered in here that's very similar to farm and ranch
2 solid waste cleanup and abatement. And that's that I have
3 had communications a various tribes who are concerned
4 about the dumping of waste tires on Indian land and that
5 they wanted to see something done about possibly some
6 funds to do an inventory on the number of waste tires on
7 Indian lands and also some sort of a cleanup and abatement
8 grant program as well.

9 And then the other I know that some of the board
10 members, Board Member Eaton, for example, I know that he
11 made some trips to the border where there are some
12 significant tire piles. And some of those tires are, you
13 know, from this side. And the Secretary's office is
14 already very much involved around border issues
15 particularly in regard to environmental issues along the
16 border.

17 I myself had an opportunity to travel to both
18 Tijuana and to Mexicali and both places where waste tires
19 are significant problems. And we are doing some work in
20 that area, so that's another area that's not covered here
21 that we should look at as well.

22 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:
23 Could I get a point of clarification. The current cleanup
24 grant program, I think we've been doing it for about three
25 years. I think last year was the first time we had an

1 applicant and awarded a grant for cleanup on indian lands.
2 Are you thinking of a separate grant program or are you
3 including criteria specifically to assist cleanups on
4 indian lands. Do you have direction on that?

5 BOARD MEMBER MEDINA: I wasn't aware of the fact
6 that someone had applied previously, but I do think --
7 yeah, just to do -- just to distinguish it just like we
8 did the other program, the farm and ranch solid waste
9 cleanup and also because the tribes have asked for it
10 specifically.

11 BOARD MEMBER JONES: I wanted just to add maybe
12 one more thing is that we ought to look at -- we have a
13 great contract with Dana Humphry, who has provided an
14 awful lot of engineering, education for this group and a
15 lot of -- has helped facilitate markets through his work
16 with CalTrans and others trying to show them, based on
17 product capability and cost where this made a lot of sense
18 to us engineered alternative.

19 I think we ought to give a little consideration
20 in the five-year plan to maybe some consultant dollars.
21 We heard it earlier in the day, when a couple of the
22 members were talking about programs that they had heard
23 about in other states and there are some outstanding
24 consultants out there that probably help develop some of
25 those programs. And we ought to not cut ourselves off

1 from making sure that we've got them available to us as we
2 formulate this plan to take advantage of where the work
3 has already been done, what the downfalls were and what we
4 can look for, because it's just too critical at this point
5 to not try to take advantage of some of that expertise.

6 And I'm going to speak for all the board members
7 and thank all of the people that participated today, as
8 well as our staff, for putting together what I think was a
9 very well run workshop and got everyone -- most of the
10 issues out there and talked about them.

11 We can't do this without the stakeholders. Mr.
12 Paparian insisted that we have this meeting as soon as
13 possible. And we appreciate those that have flown in from
14 all over to participate, because we do want to hear from
15 you so that we don't mess this up, you know.

16 (Laughter.)

17 DEPUTY DIRECTOR LEARY: Okay. With that, I'll
18 echo Mr. Jones' thanks. On behalf of the staff, we really
19 appreciate you all coming up today and giving input. And
20 we consider the meeting adjourned.

21 Thank you very much.

22 (Thereupon the California Integrated Waste
23 Management Board workshop was concluded at
24 3:45 p.m.)

25

1 CERTIFICATE OF REPORTER

2 I, JAMES F. PETERS, a Certified Shorthand
3 Reporter of the State of California, and Registered
4 Professional Reporter, do hereby certify:

5 That I am a disinterested person herein; that the
6 foregoing California Integrated Waste Management Board
7 workshop was reported in shorthand by me, James F. Peters,
8 a Certified Shorthand Reporter of the State of California,
9 and thereafter transcribed into typewriting.

10 I further certify that I am not of counsel or
11 attorney for any of the parties to said workshop nor in
12 any way interested in the outcome of said workshop.

13 IN WITNESS WHEREOF, I have hereunto set my hand
14 this 29th day of January, 2001.

15

16

17

18

19

20

21

22

23 JAMES F. PETERS, CSR, RPR

24 Certified Shorthand Reporter

25 License No. 10063

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

□